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PRESERVING HISTORIC CHARACTER AND MATERIALS:  
AN ANALYSIS OF REHABILITATION PROJECTS OF HABITAT FOR HUMANITY

Rachel Royer

A THESIS

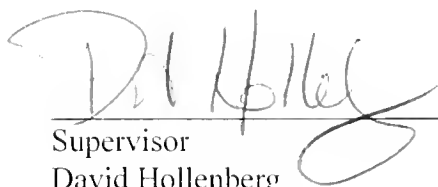
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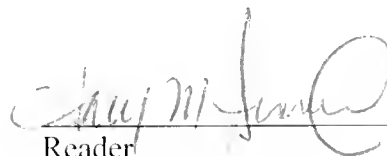
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## CHAPTER ONE: THESIS STATEMENT

### INTRODUCTION

Both the lack of affordable housing and the excess of dilapidated or abandoned older buildings present a problem in many urban centers. It is not necessary to find mutually exclusive or independent solutions to these issues. Rather, there should be a logical way that both are confronted simultaneously. However, there are stereotypes that have clouded the vision of advocates of either side, preventing many of them from crossing the line and working with ease and cooperation with advocates for the other issue.

There is a misconception surrounding (even sometimes within) the field of historic preservation that the words preservation and restoration are synonymous. It is confusing since historic preservation is the name of the general field, under which there are a range of identified treatments, including both preservation and restoration, among others. In the United States, the codification of that range is The Secretary of the Interior's Standards for the Treatment of Historic Properties, a set of principles that were developed to promote consistent preservation practices. These standards are broken into four degrees of intervention for historic sites: preservation, restoration, rehabilitation and reconstruction. This allows for a variety of approaches and levels of stringency within the field that is often overlooked.

Those in the field of preservation have too often been assigned a reputation of irrational fanatics, wanting to save every detail of every historic building no matter what the cost or level of difficulty. This stereotype ignores the fact that the face of



preservation is changing: traditionally, preservation was focused on saving national landmarks and specimens of outstanding architectural achievement. Increasingly today, however, preservationists are addressing issues like helping inner-city residents fight insensitive development plans for their neighborhoods; revitalizing traditional main streets and protecting local businesses; maintaining older homes; and other quality of life issues.<sup>1</sup> While there certainly is a need to staunchly preserve or restore buildings of great significance, to expect that all buildings could receive that amount of attention and funding is unrealistic. Also, if all historic buildings were preserved or restored to museum quality, there would not be a sufficient number of uses to assign to the buildings in order to keep them active. However, the “unique artistic and humane qualities of historic neighborhoods cannot be recreated”<sup>2</sup> and, therefore, these areas must be preserved before they are all destroyed. Permitting preservation below house museum standards is necessary in order to allow such neighborhoods to be actively used.

Affordable housing advocates are often misunderstood as well. Those involved in this field, as well as complementary fields, are sometimes stereotypically assigned the attitude that they want as many new units built as quickly and cheaply as possible. However, many involved in providing affordable housing want quality homes built for those that will occupy the units and safe neighborhoods with amenities for the residents. Of course, it is important to provide all of this at a reasonable price.

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<sup>1</sup> Kerri Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," (Washington, D.C.: National Trust for Historic Preservation, 1999), p. 4.

<sup>2</sup> Arthur P. Zielger, Jr., *Historic Preservation in Inner City Areas: A Manual of Practice* (Pittsburgh, Pennsylvania: The Allegheny Press, 1971), p. 5.





Both affordable housing advocates and a growing number of preservation practitioners are concerned with quality of life issues. If the two groups worked cooperatively, both could gain from increased benefits.

In many urban areas, disinvestment has led to the preservation by neglect of much of the historic fabric. When left for too long, this lack of interest becomes demolition by neglect and the structures are damaged beyond repair. Throughout the city of Camden, New Jersey, - the case study examined in this thesis - there are a number of dilapidated homes that have traditionally housed working class families. While this common fabric may not be considered significant enough for nomination to the National Register of Historic Places, it is an important physical manifestation of Camden's history and should be recognized as such. This value, in combination with the sheer volume of this building type, creates an opportunity, if not a necessity, to preserve and reuse these structures when possible. Affordable housing, which continues to be in demand, is an appropriate use for these modest buildings that were originally designed for the same use at the end of the 19<sup>th</sup> Century. Reclaiming abandoned historic structures for rehabilitation in low-income areas can also help to build a sense of place and community.

In Camden, as in many other urban areas across the United States, Habitat for Humanity International (HFHI) has taken on the task of rehabilitating such buildings in order to make them suitable for affordable housing. While there is no doubt that Habitat for Humanity's first priority is providing affordable housing, the homes that are rehabilitated in cities across the country could provide a wealth of historic information and materials. It is important to assess whether economic viability and structural stability have to counter historic preservation, or if all three are possible at the same time. While



comprehensive preservation is often impossible during projects with severely constrained budgets, it may be possible to preserve some elements of the original character and materials of the building.

In 1990, the Cranston-Gonzales National Affordable Housing Act (24 CFR, Part 92) reiterated the goal of a decent home for every American family that had previously been stated in the 1949 National Housing Act. The 1990 Act encourages rehabilitation over new construction, transferring much of the power formerly at the federal level to local and non-profit organizations for their housing programs.<sup>3</sup> The federal government provides little support and few incentives that encourage the rehabilitation of historic structures for affordable housing. However, considering how few federal income tax credits exist, it is significant that there are credits that apply to historic low-income housing. Those incentives that do exist, primarily the Low-Income Housing Tax Credit and the Historic Rehabilitation Tax Credit, favor developers with plans for multi-family rental units rather than single-family homeownership. This does not generate the same amount of community reinvestment as the non-profit community based organizations. Therefore, non-profit organizations like HFHI are becoming the driving force of providing owner-occupied and single unit affordable housing through the reuse of existing buildings.

## **THESIS TOPIC**

One of Habitat for Humanity International's primary goals, achieved partially through their rehabilitation projects, is to provide a solution to the shortage of sound

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<sup>3</sup> Deborah Marquis Kelly, "A Proposed Affordable Historic Housing Program for the State of New Jersey" (Master of Science in Historic Preservation, University of Pennsylvania, 1991), p. 3.



affordable housing. However, by having HFHI local affiliates use existing housing stock rather than building new units in many urban centers, the organization offers a solution to a compound secondary problem: the increase of urban deterioration that leads to the loss of historic fabric. This historic fabric includes the loss of material, social culture and community.

HFHI's unique funding approach allows flexibility that many other affordable housing programs do not enjoy. While HFHI projects are not required to adhere to The Secretary of the Interior's (SOI) Standards definition of rehabilitation, they recognize that it is virtually the same as their working definition. The SOI Standards define rehabilitation as:

*the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.*<sup>4</sup>

The Standards recognize that as a treatment, rehabilitation assumes that at least some alteration of the historic building is necessary "in order to provide for an efficient contemporary use."<sup>5</sup> However, it is clear that these changes must not destroy the defining materials or features of the building.

Those urban affiliates of HFHI that are choosing to rehabilitate older properties are making an effort to maintain at least some significant features of the buildings and neighborhoods. The affiliates are recognizing that reuse is a way to provide "attractive,

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<sup>4</sup> National Park Service Heritage Preservation Services, *Technical Preservation Services for Historic Buildings: The Secretary of the Interior's Standards for the Treatment of Historic Properties, 1995 Standards for Rehabilitation* ([cited March 2 2003]); available from <http://www2.cr.nps.gov/tps/secstan5.htm>.

<sup>5</sup> W. Brown Morton, III et al., *The Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings* (Washington, D.C.: U.S. Department of the Interior National Park Service Cultural Resources Preservation Assistance Division, 1992), p. vi.



functional homes for low-income families.”<sup>6</sup> Habitat for Humanity thus is a potential partner for the changing face of preservation. Their historically sensitive rehabilitations of the older housing stock throughout the country are a fresh approach to preserving the historic fabric of ordinary American life, while returning forgotten historic buildings to a useful function as affordable housing.

This type of rehabilitation often illuminates a conflict between integrity (as defined by historic preservation professionals and standards) and livability. However, without compromising on some areas of material integrity, many Habitat affiliates could not afford to make older structures livable and the structure would be lost completely. Houses that HFHI rehabilitates have often been abandoned and left to fall down. It is more appropriate to save the majority of the building and to maintain its historic scale and defining details, while making small material compromises for cost efficiency and returning the structure to a viable use, than to write the structure off as a lost preservation cause and leaving it to deteriorate further.

## **THESIS METHOD**

This thesis focuses on the legitimacy of choosing Habitat for Humanity as a vehicle of historic preservation. The document begins with an introduction to Habitat for Humanity International and then Metropolitan Camden Habitat for Humanity, the highlighted affiliate. Such an examination of an affiliate in addition to the overarching organization enables more understanding of operations on a local level. The Camden affiliate was chosen as the focus for a number of reasons, including the dire state of the

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<sup>6</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 3.





city of Camden; the length of the affiliate's establishment within the community; their neighborhood strategy for rehabilitation; and their willingness and excitement about providing information about their organization and practices.

Next, HFHI's unique financial structure is explored in detail. This financial structure is essential to the organization's ability to provide the level of retention of historic material and the amount of housing that it currently does. After presenting this information about the practices of HFHI, this thesis summarizes practices of alternate affordable housing programs. This allows for comparing and contrasting of the various programs and will help to further illuminate HFHI's distinctive qualities.

The thesis continues with an in-depth study of the operations and principles of the Metro Camden Habitat for Humanity (MCHH) affiliate. This section includes the history of the affiliate; its organizational structure; various processes within the affiliate such as site selection and acquisition, design, construction, and family selection; and the affiliate's role after families move into their new home. The way in which these processes are applied to a specific project is highlighted through a case study of the 600 block of Clinton Street in Camden, New Jersey. The thesis concludes with a brief overview of current and upcoming projects for MCHH and for the city of Camden, New Jersey.

In order for HFHI projects to be feasible, in terms of both funding and labor, some preservation standards must be relaxed. However, a partnership with preservation professionals could provide valuable information that would make the project as historically accurate as possible, within HFHI's limits. Just as cooperation, education, and training are vital for the success of the Habitat homeownership program, so are they



the key to successful preservation efforts. HFHI is a valuable source of rescued and rehabilitated buildings and should, therefore, be viewed as an asset by preservationists. Through interaction with preservationists, HFHI staff could learn about new options that might help increase the amount of rehabilitation projects undertaken by the organization. By working with HFHI, preservationists could increase the historic accuracy of the projects, to a reasonable degree, and increase the amount of historic housing stock saved from demolition. Such collaboration would be beneficial to both communities.



## CHAPTER TWO: INTRODUCTION TO HABITAT FOR HUMANITY INTERNATIONAL

### BACKGROUND

From the beginning of his early entrepreneurial ventures, which included renovating old houses and providing housing to college students, Millard Fuller had one purpose: to make a lot of money. By 1964 he had achieved that goal. He found out he was worth a million dollars and immediately began making plans to turn it into more money. Fuller noticed that his ambition to make money began affecting his integrity, his health, and his marriage. After reflecting on the threat that his marriage was over, Fuller went to New York to try to reconcile with his wife, who had left their hometown to do some reflecting of her own. Fuller suggested that they give all their money away and start over, his wife agreed.<sup>7</sup> (p.14)

The Fullers' first priority was to bring their family back together. They did this by taking a road trip together. They found themselves accepting an old invitation from an acquaintance of Fuller to visit Koinonia Farm. The Farm was an accepting, cooperative community, founded by Clarence Jordan who was a radical Christian. They only stayed for a month during that visit, but returned two years later. In 1968, Koinonia Partners, the forerunner to Habitat for Humanity, was born and began planning their Partnership Housing program, through which they planned to set aside 42 half-acre sites on the north side of the farm and build houses for poor rural families in response to mechanization replacing tenant farms and leaving them nowhere to go. They wanted to provide a decent dwelling in a "village" setting. Their partnership housing strategy was to charge no interest and make no profit by soliciting gifts and no-interest loans from benefactors,

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<sup>7</sup> Millard Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity* (Dallas: Word Publishing, 1995), p. 14.



much like HFHI. Their financial system was called the “Fund for Humanity.” Clarence Jordan died suddenly before the first house was completed, but the Fullers carried out the plan they had all created together and in 1972 Koinonia Village was completed.<sup>8</sup>

From 1973-1976, the Fullers took their new interest to Africa, and built simple houses in Zaire. In 1976, they returned to Georgia with a partnership house and community buildings model proven both in the U.S. and abroad and founded Habitat for Humanity.<sup>9</sup> In 1981, while being interviewed on a San Francisco radio show, a caller asked Fuller to explain HFHI’s goal. His response: “To eliminate poverty housing from the face of the earth...And when we get rid of all poverty housing, we’ll start on something else.”<sup>10</sup> In 1987 the program took powerful turn. The Jimmy Carter Work Project began in Charlotte, North Carolina with the goal of building an entire city block in a week.<sup>11</sup> This project continues to hold such “builds” in various cities each year, resulting in the completion and occupancy of an impressive number of affordable housing units. HFHI’s aggregate construction volume in the United States puts it in the top 20 homebuilders in the country, and as of 1995 the organization is the nation’s largest nonprofit homebuilder.<sup>12</sup>

## ORGANIZATIONAL STRUCTURE

Habitat for Humanity International is headquartered in Americus, Georgia. Its 29 person ecumenical Board of Directors holds three annual meetings to set policy and

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<sup>8</sup> Ibid., p. 22.

<sup>9</sup> Ibid., p. 26.

<sup>10</sup> Ibid., p. 5.

<sup>11</sup> Ibid., p. 35.

<sup>12</sup> Inc. Applied Real Estate Analysis, *Making Homeownership a Reality: Survey of Habitat for Humanity (Hfhi), Inc. Homeowners and Affiliates* (Chicago: 1998), p. II-1.





monitor operations. A small staff is supplemented with volunteers to run the headquarters and there is also a larger advisory board. In addition, there are five area directors who each cover three regions from a field office around the country. These area directors report to the Director of U.S. affiliates.<sup>13</sup>

Although HFHI is a Christian organization, religion is not used as criteria in choosing the homeowners who receive Habitat houses; neither is race. Applications for HFHI homes come from a variety of people and families. They are “people who are homeless or who live in substandard housing and who are unable to obtain conventional financing.”<sup>14</sup> According to a survey of 19 affiliates prepared for the Department of Housing and Urban Development, the majority of households have at least one adult working full-time. They are primarily families with children. The incomes of these families are often below 50% of area medians, [which is significantly below the mark of 80% of area median deemed necessary for affordable housing.] Most families surveyed spend less per month on housing as Habitat homeowners than they did as renters.<sup>15</sup>

According to a quote in a House & Garden magazine article from former President Jimmy Carter, a major force behind HFHI, the projects are based on a real partnership between the benefactors and those who will live in the homes, not on charity.<sup>16</sup> The homes are not given away, rather the homeowners have to work with HFHI to build their house. HFHI does not just want to build houses, it also wants to

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<sup>13</sup> Ibid., p. II-2.

<sup>14</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 7.

<sup>15</sup> Applied Real Estate Analysis, *Making Homeownership a Reality: Survey of Habitat for Humanity (HFHI), Inc. Homeowners and Affiliates*, p. II-4.

<sup>16</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 8.



build people. Part of the organization's philosophy is to "help people help themselves."<sup>17</sup> It is important that this assistance not be demeaning in any way, but must instead be administered in an uplifting, empowering and strengthening way. HFHI's approach to creating affordable homes is explicitly also intended to provide a basic level of empowerment by breaking the cycle of hopelessness and poverty. The organization requires homeowners to help build houses and that mortgage payments are placed in a revolving fund to help pay for future Habitat houses. This results in lower housing costs, pride in ownership, and positive relationships within the community and between the organization and the community.<sup>18</sup> Fuller believes that many of the errors in government welfare programs come from the failure to strengthen those it is attempting to help.<sup>19</sup>

Habitat for Humanity International is careful to maintain the appropriate relationship with government. The organization recognizes that government can create barriers to HFHI building by charging high fees or by denying resources if there is a desire to keep lower-income families out of certain areas.<sup>20</sup> However, HFHI also recognizes that some government involvement is necessary in order to make the projects feasible. In order to maintain their grassroots ideals, HFHI refuses any government funds for building its houses, but will accept involvement as the government sets the stage for HFHI to build with private resources.<sup>21</sup> Governmental involvement and financial structure are discussed further in the next chapter.

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<sup>17</sup> Ibid., p. 123.

<sup>18</sup> Ibid., p. 8.

<sup>19</sup> Ibid., p. 124.

<sup>20</sup> Ibid., p. 122.

<sup>21</sup> Ibid.



## THE HOMEOWNERS

In 1998, a survey of HFHI affiliates and homeowners was conducted for the Department of Housing and Urban Development (HUD). The survey showed that neighborhoods where HFHI builds have larger household sizes; lower shares of white residents and higher shares of African-American residents; higher number of school-aged children; lower shares of white-collar jobs and higher shares of blue-collar jobs; lower household incomes; lower shares of owner-occupied houses and higher shares of renter-occupied houses; and lower housing values and rents than other neighborhoods.<sup>22</sup>

The affiliates surveyed were located in a variety of geographic locations, ranging from rural to urban and represented the diversity of approaches used by HFHI to provide housing. Sixteen of the nineteen surveyed affiliates focus on single-family detached homes. Eighty-seven percent of surveyed homeowners moved into a single-family detached Habitat home, while only 45% had lived in this type of dwelling prior to their Habitat home. Only 11% of homeowners moved into Habitat duplexes, townhouses or rowhouses.

The significant decrease in percentage from 25% living in this type of dwelling prior to their Habitat home, suggests that it may be undesirable to families to live in attached or semi-attached units.<sup>23</sup> This possibility counteracts the goals of maintaining urban density and rehabilitating the older housing stock in urban centers. It is important to stress the positive results possible from restoring a historic urban neighborhood and provide training and expert consultation so that rehabilitation can be done properly when

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<sup>22</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (Hfhi), Inc. Homeowners and Affiliates* (Chicago: 1998), p. IV-26.

<sup>23</sup> *Ibid.*, p. IV-15.



it is a viable option. Rehabilitation may be ruled out by HFHI before it is properly weighed as an alternative simply because those making decisions are misinformed or do not have the proper tools and knowledge to feel comfortable taking on a rehabilitation project. Also troubling for rehabilitation in urban centers is the decrease in housing units of masonry construction, a common historic building method, in surveyed affiliates. 29% of surveyed homeowners stated that their previous home was masonry, while only 2% moved into Habitat homes made from masonry materials. The majority of houses owned by the surveyed homeowners were wood frame construction with siding. This number increased from 64% of previous homes to 95% of current Habitat homes.<sup>24</sup>

HFHI builds in three types of neighborhood settings. The first is the individual, scattered lot with no other Habitat homeowners on the street. Secondly, there are Habitat clusters, which are blocks that are not exclusive, but do include other HFHI homes. The last type of neighborhood is the Habitat subdivision, where all the homes on the street are built by HFHI. Of the homeowners surveyed for HUD, 23% owned scattered lots, 64% were part of a cluster, and 13% lived in Habitat subdivisions.<sup>25</sup>

## **HABITAT FOR HUMANITY REHABILITATION**

Rehabilitation and reuse has always been a part of Habitat for Humanity. The first headquarters of HFHI was in Millard Fuller's law office, an old house that had been renovated.<sup>26</sup> The rehabilitation and urban aspect of HFHI's work gained momentum, though, in 1995 when HFHI's Urban Initiative was launched to encourage work in large

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<sup>24</sup> Ibid.

<sup>25</sup> Ibid., p. IV-27.

<sup>26</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 29.





cities, with initial efforts in Newark, Philadelphia, Cleveland and Baltimore.<sup>27</sup> The Urban Initiative was created to increase the capacity of HFHI affiliates operating in urban centers.<sup>28</sup> It brings HFHI urban affiliates together to help solve problems that are faced by high-density areas. These issues include availability of land, high infrastructure costs, building/impact fees, multi-family housing and multi-family rehabilitation.<sup>29</sup>

HFHI does two types of work on existing structures: repair and rehabilitation. A repair is work done on an owner-occupied house, which typically costs less than \$5000. Rehabilitation is work done on a house obtained by an affiliate to bring it up to new house standards. The house is then sold to a partner family. Rehabilitation could include new windows, doors, drywall, siding, or roof. The degree of rehabilitation is dependent upon the age of the property and its condition. Sometimes, the same amount of money is spent on a rehab as would be spent on new construction.<sup>30</sup>

There are HFHI house design criteria for new houses, to which HFHI headquarters states rehab project should also adhere. Aside from local building code regulations, these design criteria are the only standards to which rehab projects are held. HFHI rehabilitation projects are not subject to the Secretary of the Interior's Standards.<sup>31</sup>

Rehabilitated houses account for approximately ten percent (i.e. roughly 3300) of the total Habitat houses made available to date.<sup>32</sup> In the year 2000, HFHI built 4694 houses. 418 of those houses were rehabilitations, approximately 11%.<sup>33</sup> Some rehabilitation projects bring with them additional construction delays and some affiliates

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<sup>27</sup> Ibid., p. 30.

<sup>28</sup> Doris Poole, Email communication, February 2003.

<sup>29</sup> Nevil Eastwood, Email communication, February 2003.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Poole.

<sup>33</sup> Eastwood.



take well over a year to rehabilitate a house, sometimes as long as two and a half years. This delay causes frustration for the homebuyer and a few have, therefore, reacted negatively to HFHI and the homeownership experience.<sup>34</sup> However, an increasing number of urban affiliates are rehabilitating because undeveloped land is either too expensive or too scarce. Also, the affiliate may be prevented from demolishing a gifted building because of local zoning codes or public pressure.<sup>35</sup> Helping affiliates understand the value of the older urban fabric and neighborhoods may also increase the number of rehab projects. There is a great need within the preservation movement to provide education and experience for others to build upon, rather than having to reinvent the wheel with each project.<sup>36</sup> With the right information and tools, more urban affiliates could make rehabilitation their first choice, rather than a last resort.

## AFFILIATES

The basic policies of HFHI are adapted as each local affiliate attempts to accommodate local conditions. HFHI offers program suggestions, sample documents, operational guidelines for project implementation on a local scale, and training programs for affiliate staff and Board members. The Affiliate Covenant is a set of rules set by HFHI that applies to all affiliates. It states the organization's principles and policies, but is not a legal document.<sup>37</sup> The Affiliate Operation Manual recommends procedures for

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<sup>34</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (HFHI), Inc. Homeowners and Affiliates*, p. III-22.

<sup>35</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 5.

<sup>36</sup> Zielger, *Historic Preservation in Inner City Areas: A Manual of Practice*, p. VI.

<sup>37</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (HFHI), Inc. Homeowners and Affiliates*, p. II-2.



implementing the affordable housing program on a day-to-day basis. HFHI offers ongoing assistance and training for implementation of the program.<sup>38</sup>

While it receives guidance from the central organization, each affiliate is responsible for performing a number of tasks themselves. These tasks include: fundraising; publicity; volunteer recruitment; staff hiring, which varies by the size of the affiliate; construction contracting. Each affiliate must also be governed by a Board of Directors of local volunteers. Affiliates make decisions on family eligibility and selection; home prices; home sizes and styles; construction methods; and repayment terms. By placing these responsibilities in the hands of the affiliates, HFHI encourages more of a focus on the local community and allows for the support of local businesses for goods and services. Every affiliate must also dedicate ten percent of its “Fund for Humanity” income to international projects.<sup>39</sup> The “Fund” is explained further in the next chapter.

HFHI does not have a specific document on home maintenance, but instead leaves this to the affiliates who are more familiar with local environmental and housing conditions. Most affiliates conduct a series of classes for homeowners, which often include maintenance instruction. In addition, the Homeowners Handbook has information on maintenance.<sup>40</sup>

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<sup>38</sup> Ibid., p. III-15.

<sup>39</sup> Ibid., p. II-2.

<sup>40</sup> Poole.



## CHAPTER THREE: FINANCIAL STRUCTURE OF HABITAT FOR HUMANITY INTERNATIONAL

### SPECIAL FEATURES

Habitat for Humanity strives to keep costs low in order to make houses affordable and available to low-income families who are unable to qualify for a traditional mortgage. The organization achieves this goal through four basic approaches: homeowner sweat equity; general donated cash and in-kind donations, such as materials, land and buildings; project-specific contributions; and individual volunteer and workgroup labor. Once the house is complete, HFHI sells it to a selected family at no profit to the organization and finances the sale with a long-term no-interest mortgage after a small down payment. Money from the sale of each house is deposited in a fund that goes directly to costs related to building other Habitat homes. Family selection criteria and responsibilities will be discussed in Chapter 5.

The zero percent interest rate comes from the organization's religious foundation and a passage from the Bible. In Exodus 22:25, God commands the Israelites not to lend money at interest to their poor neighbors. The families housed by HFHI could not have paid the interest on, and therefore would not qualify for, a bank mortgage.<sup>41</sup> This method of providing homes to needy families is referred to as "the Bible finance plan."<sup>42</sup>

Another integral part of HFHI's success in providing affordable housing and a distinguishing feature of the program is its "Sweat Equity" component. This is work done by Habitat families in order to qualify for a home. Each family must work several

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<sup>41</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us* (2002 [cited February 2 2003]); available from [http://www.habitatcamden.org/pages/about\\_us.html](http://www.habitatcamden.org/pages/about_us.html).

<sup>42</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 4.





hundred hours to help build their home or the homes of other families to meet a requirement before they can move into their house.<sup>43</sup> The Sweat Equity requirement may also be met by contributing hours in offices or on special projects, which helps to reduce staff costs. Sweat Equity not only helps to reduce overall costs, but it also provides the homeowner with skills for repair and maintenance of their house, helps homeowners to understand how their house was constructed, provides pride in their work and a connection with their house, and creates a true partnership between homeowner families and HFHI.<sup>44</sup>

Each Habitat for Humanity affiliate is financed by a revolving “Fund for Humanity” consisting of homeowners’ monthly payments and donations from private sources. Money paid in is recycled and used for building expenses of the next project.<sup>45</sup> Ten percent of this Fund is also expected to be contributed to build in underdeveloped countries.<sup>46</sup>

Donations come to HFHI in many different forms and through a variety of channels. Cash donations can be targeted to a specific affiliate, for overseas projects, or for general administrative purposes.<sup>47</sup> Many donations come from the Corporate Sponsorship Program, which aims to obtain company partners. Company partners not only provide materials and financial support to local affiliates, they also encourage employee volunteer activities. In addition to these financial benefits, the Corporate Sponsorship Program raises the level of awareness about the work of HFHI, supports

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<sup>43</sup> Ibid., p. 7.

<sup>44</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (Hfhi), Inc. Homeowners and Affiliates*, p. III-12.

<sup>45</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 7.

<sup>46</sup> Ibid., p. 10.

<sup>47</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (Hfhi), Inc. Homeowners and Affiliates*, p. II-2.



participation in and support of special events sponsored by HFHI, and accentuates the company commitment to the communities they serve.<sup>48</sup>

The Federal Home Loan Bank Board has also done a lot to help HFHI. Federal Home Loan Banks (FHLB) were created in 1932 in order to improve the supply of funds to local lenders, who then finance loans for home mortgages. The FHLB system is a partnership that “supports community-based financial institutions and facilitates their access to credit.”<sup>49</sup> According to Regina Nobles, the director of community investment for Habitat for Humanity, by mid-April of 1995 more than \$15 million had been provided by FHLB through the Affordable Housing Program to member banks, who then passed the funds on to hundreds of affiliates and to approximately 2400 families.<sup>50</sup>

#### GOVERNMENT CONTRIBUTIONS

Much of HFHI’s independence comes from the fact that they do not accept government funds for building houses, which is part of their grassroots philosophy. Fuller will not accept for his organization any “strings-attached money that might dampen [their] vision or beliefs, or ‘easy’ money that might squelch the spirit of [their] incredible network of donors and volunteers.”<sup>51</sup> This is very important when the issue of rehabilitation is raised, because changes made to a property made with private funds are not subject to the SOI Standards, with the exception of properties within some historic districts. HFHI are still bound by a few restrictions when using government funds to

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<sup>48</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 187.

<sup>49</sup> Federal Housing Finance Board, *About Us* (Federal Housing Finance Board, 2003 [cited March 25 2003]); available from <http://www.fhfb.gov/AboutUs/aboutus.htm>.

<sup>50</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 191.

<sup>51</sup> *Ibid.*, p. 121.



purchase land and similar activities.<sup>52</sup> The organization does accept government contributions for “setting the stage” for their building projects, however. This includes providing land, streets and sidewalks; donating old buildings to be renovated; and possibly funds for administrative expenses. With the stage set, HFHI turns to private resources to build, maximizing the effectiveness of both government and the private sector.<sup>53</sup>

### **STOPPING THE RESALE OF HFHI HOMES**

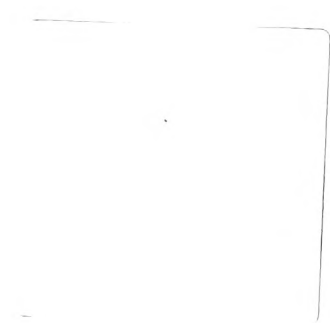
There is no history of resale of HFHI houses. Habitat homeowners have a connection to their house because they work so hard in its pursuit. They are not only invested financially, but also physically and emotionally. Profit does not seem to become an issue because the homeowners realize that if they sell their house, they would not be able to make the necessary payments to purchase a new house.<sup>54</sup> However, HFHI’s two-part mortgage ensures that resale does not become an issue. The first part is a mortgage for half the value of the house, which will be paid back in equal interest-free monthly installments over 20 years. For example, if a house is worth \$40,000; the first mortgage will be in the amount of \$20,000 and will be paid back in monetary payments each month for 20 years. The other half of the value of the house; the remaining \$20,000; is paid for with the second mortgage, by the family living in the house. Each year that the family occupies the house, 1/20<sup>th</sup> of the amount of the second mortgage (or \$1000) is forgiven. At the end of the 20-year mortgage term, the full value of the house is paid back to HFHI

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<sup>52</sup> Eastwood.

<sup>53</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 122.

<sup>54</sup> *Ibid.*, p. 126.



through this unique combination. If the homeowner must sell before the mortgage is paid, the house will be sold for the combined amount of the two parts of the mortgage. The homeowner will receive a share of the profits proportionate to the number of years spent in the home and HFHI receives the remaining profit.<sup>55</sup>

According to the 1993 U.S. Affiliate Census, 89 percent of homeowners make their mortgage payments on time. The Census also reports that there is less than a one percent foreclosure rate on Habitat houses. This information suggests that affiliates are effectively helping homeowners resolve financial problems.<sup>56</sup> Homeownership training, which is required before the move-in date, includes household budgeting. This training teaches homeowners to manage their money wisely. It allows them to have money left at the end of the month after housing costs, which is a major goal of providing affordable housing.<sup>57</sup>

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<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

<sup>57</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us*.





## CHAPTER FOUR: ALTERNATIVE APPROACHES TO AFFORDABLE HOUSING

There are avenues other than HFHI available to increase the amount of affordable housing at the federal, state, and local levels. These programs differ in size of project, scope, and the amount of assistance available. However, all the programs are working toward similar goals. Moreover, many programs are designed to work in conjunction with other available options and none work to discount the others.

### FEDERAL GOVERNMENT PROGRAMS

The United States Department of Housing and Urban Development (HUD) has many resources available for assisting low- and moderate-income individuals and families. Two such programs are the Community Development Block Grant and the HOME Investment Partnership program. Both of these programs filter federal funds through local governments to eligible residents.

Community Development Block Grants (CDBGs) provide Federal grants directly to cities and urban communities that are deemed eligible, called entitlement communities. These grants can be used to expand the supply of affordable housing, as well as to revitalize neighborhoods, increase economic opportunity, and improve community facilities and services. CDBGs are a flexible source of funding for local governments, which allow for community participation and help direct the money to projects that serve each individual community's priorities for development.<sup>58</sup>

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<sup>58</sup> U.S. Department of Housing and Urban Development, *Community Development Block Grant (CDBG) Entitlement Community Program* (2002 [cited March 29 2003]); available from <http://www.hud.gov/progdesc/cdbgent.cfm>.



Endeavors using money from CDBGs must either “1) benefit low- and moderate-income persons; 2) prevent or eliminate slums or blight; or 3) meet other urgent community development needs.”<sup>59</sup> The largest single use of CDBG funding has traditionally been for the rehabilitation of properties to create affordable housing.<sup>60</sup>

Funding is allocated to each community based on need, relative to other eligible communities, which is figured using the higher result of two formulas. The first formula takes into account overcrowded housing, population, and poverty rate. The second considers age of housing, population growth gap, and poverty rate.<sup>61</sup> In fiscal year 2002, the City of Camden received \$3,906,000 in CDBG funding and Camden County received \$3,067,000.<sup>62</sup>

The HOME Investment Partnership program also helps to expand the supply of affordable housing, targeting low- and very low-income (and not moderate-income) families. This federal program provides grants to state and local governments, which then use the grants to fund housing programs that meet the needs and priorities of the local communities. The local control of funding allows flexibility to design a HOME program specific to the area that falls within the established federal guidelines. HOME funds can be used to assist renters, new homebuyers, or existing homeowners. Limits have been established for rents, income, purchase prices, and per unit subsidy. HUD

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<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

<sup>62</sup> U.S. Department of Housing and Urban Development, *Fy 2002 Formula Allocations for New Jersey* (2001 [cited March 29 2003]); available from <http://www.hud.gov/offices/cpd/about/budget/budget02/states/nj.cfm>.



requires that participating governments match 25 cents on every dollar of HOME funding spent within its jurisdiction.<sup>63</sup>

HOME grants are awarded annually to participating jurisdictions. Upon award, a Home Investment Trust Fund is established, which provides a line of credit for that jurisdiction to draw upon as needed. Eligible activities for the use of HOME funds include: home purchase or rehabilitation financing assistance; construction or rehabilitation of housing; site acquisition or improvement; demolition of dilapidated housing for new HOME construction; and the payment of relocation expenses. The funds can be used as “grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.”<sup>64</sup> The City of Camden received \$1,583,000 of HOME funding in the fiscal year 2002. Camden County received \$1,261,000 for the same year.<sup>65</sup>

There are many similarities between these HUD programs and Habitat for Humanity International. Both are concerned with housing in both rural and urban areas. There are counseling and training programs through both organizations. Mortgage interest rates are reduced for homeowners: HUD provides an interest rate subsidy, while HFHI provides a no-interest mortgage. HUD and HFHI ensure that homes purchased through their programs remain affordable and owned by low-income families. HFHI and

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<sup>63</sup> U.S. Department of Housing and Urban Development, *Home Investment Partnership Program* (2003 [cited March 29 2003]); available from <http://www.hud.gov/offices/cdp/affordablehousing/programs/home/index.cfm>.

<sup>64</sup> U.S. Department of Housing and Urban Development, *Home Quickfacts* (2002 [cited March 29 2003]); available from <http://www.hud.gov/offices/cdp/affordablehousing/programs/home/quickfacts.cfm>.

<sup>65</sup> U.S. Department of Housing and Urban Development, *FY 2002 Formula Allocations for New Jersey*.



not-for-profit groups that are assisted by HUD rely on private donations and/or reduced rates for materials, professional services, furnishings, and land.<sup>66</sup>

However, HFHI's volunteerism and mortgage funding sets their programs apart from HUD's. HFHI relies on volunteer construction labor in order to keep costs down. HUD-assisted organizations generally avoid volunteer labor due to concerns about quality control issues, monitoring, record-keeping. Also, HFHI provides mortgage funds for its homeowners. HUD-assisted homeowners must obtain financing for the purchase or rehabilitation of their house from private lenders.<sup>67</sup> As mentioned in Chapter 3, this may present a problem for many potential homeowners who cannot afford a traditional mortgage. The HUD programs are also subject to Section 106 review to ensure that historic resources will not be negatively impacted by the proposed work, due to the involvement of Federal funds in these projects. HFHI, because it does not use any Federal money for the construction or rehabilitation of homes, is not subject to this review.

#### **NON GOVERNMENTAL NATIONAL PROGRAMS**

There are also national programs administered through private organizations, rather than through the federal government. For example, the National Trust for Historic Preservation administers a program entitled the Inner-City Ventures Fund (ICVF). ICVF was established in order to provide grants and low-interest loans to non-profit organizations for the purposes of housing and community rehabilitation projects that

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<sup>66</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (HFHI), Inc. Homeowners and Affiliates*, p. II-3.

<sup>67</sup> *Ibid.*, p. II-4.





benefit low-income residents. ICVF grants range between \$40,000 and \$100,000. The grants can be used for acquisition, rehabilitation, and related capital costs. It is a national level fund for low-income housing historic rehabilitation.<sup>68</sup> Eligible properties must be listed on or eligible for listing on a local, state, or national register of historic places.<sup>69</sup>

Another national resource available for affordable housing advocates is the Local Initiatives Support Corporation (LISC). LISC, founded in 1979, is a national private organization that provides technical assistance to community oriented non-profit organizations. Headquartered in New York City, LISC operates local programs in cities and rural areas across the United States and is the largest community building organization in the country. The organization has helped build or rehabilitate 128,000 affordable homes. LISC's mission includes rebuilding entire communities by supporting Community Development Corporations, which will be discussed in the "local programs" section of this chapter.<sup>70</sup>

Funded by both tax dollars and private money, this public/private partnership instructs non-profits on how to make money and attract funders. LISC helps to coordinate national and international sponsors and provides the community non-profit organization with the money. The organization also often contributes the first and last dollars of a funding campaign in order to encourage other investors. LISC supports community organizations with strong resident leadership.<sup>71</sup>

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<sup>68</sup> Kelly, "A Proposed Affordable Historic Housing Program for the State of New Jersey", p. 30.

<sup>69</sup> The National Trust for Historic Preservation, *Community Partners National Trust Loan Funds* (2003 [cited April 8 2003]); available from [http://www.nationaltrust.org/community\\_partners/loan.html](http://www.nationaltrust.org/community_partners/loan.html).

<sup>70</sup> Local Initiatives Support Corporation, *Lisc Facts at a Glance* ([cited April 8 2003]); available from <http://www.liscnet.org/whatwedo/facts/>.

<sup>71</sup> Julia Josephine Jackman Blackett, "Affordable Housing in Historic Districts" (Master of Science in Historic Preservation, University of Pennsylvania, 1998), p.51.



## NEW JERSEY STATE PROGRAMS

In 1984, New Jersey made a decision to assign each municipality a numerical allocation of low- and moderate-income housing requirement. This decision was a response to various lawsuits in Mount Laurel, New Jersey, which opposed exclusionary zoning being practiced against low-income families. This requirement, called “fair share,” utilizes a formula that allows each municipality to calculate their fair share. The New Jersey Fair Housing Act of 1985 (FHA) established the New Jersey Council on Affordable Housing (COAH) to assist in implementing this “fair share” requirement.<sup>72</sup>

COAH and FHA require a “realistic opportunity”<sup>73</sup> to provide low-income housing units through a municipality’s affordable housing plan. There are four basic methods to addressing the fair share obligation: inclusionary zoning, municipal construction, regional contributions, and rehabilitation.<sup>74</sup>

Each municipality is assigned a number of units that are considered unsound and could be rehabilitated. COAH guidelines for housing rehabilitation state that the units must include the necessary repairs to heating, electrical, plumbing, roofing, structural, and foundation systems. The rehabilitation may also include cosmetic improvements. An average of \$8000 must be spent on units under a municipality’s rehabilitation program, which is developed as part of the fair share plan in most municipalities. It is

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<sup>72</sup> Delaware Valley Regional Planning Commission, *Building the Dream: Solutions for Affordable Homeownership* (Philadelphia: Delaware Valley Regional Planning Commission, 1991), p. 27.

<sup>73</sup> *Ibid.*, p. 29.

<sup>74</sup> *Ibid.*



often viewed as more acceptable to fund rehabilitation of existing structures for existing residents rather than spend the money on construction of new affordable housing units.<sup>75</sup>

The Fair Housing Act of 1985 also created the Balanced Housing Program to help municipalities meet their fair share obligation. The Balanced Housing Program is administered within the Department of Community Affairs and funded through a percentage of the realty transfer tax. This program promotes and supports site acquisition and preparation, and the construction or rehabilitation of housing units for low- to moderate-income occupants. The program can also pay to convert non-residential structures to residential units. It is a neighborhood-based program. Grants are given to the municipality for contract with other interested parties, such as the housing authority, a non-profit corporation, or a private developer. Fifty percent of the grant must fund low-income housing.<sup>76</sup>

The New Jersey Department of Community Affairs also administers the Neighborhood Preservation Program (NPP), through the Housing Production and Community Development element in the Division of Housing.<sup>77</sup> NPP funding is used with Balanced Housing Program funding to promote affordable housing by assisting potential occupants with expenses such as down payments or closing costs. Participants must earn less than 120% of the area's median income and municipalities must demonstrate the neighborhood's potential to stabilize within three to five years. The maximum grant is \$85,000 per year per neighborhood for a period of three to five years. Most NPP projects involve single-family housing rehabilitation. The program's purpose

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<sup>75</sup> Ibid., p. 30.

<sup>76</sup> Ibid., p. 33.

<sup>77</sup> Joan Brennan, *Npp Homepage* (2002 [cited March 3 2003]); available from <http://merchantvillenj.com/MerchantvilleNJ/website.nsf>.



is to restore services, promote rehabilitation and repair, or restore infrastructure of viable, but deteriorating neighborhoods.<sup>78</sup> In 1975, New Jersey was the first state to pass this type of legislation, calling for the comprehensive improvements of neighborhoods. NPP was meant to be both a comprehensive and coordinated effort to address adequacy of housing, quality of municipal services, potential public capital improvements, and the availability of private financing, which was viewed as the most critical element to preserving the existing housing stock.<sup>79</sup>

The New Jersey Housing and Mortgage Finance Agency (NJHMFA) has also established mortgage programs to assist low-income individuals and families. The Purchase or Refinance/Rehabilitation Mortgage Program, formerly called the Buy-it and Fix-it Program, uses existing but deteriorated housing stock to provide affordable housing. This program packages the acquisition loan, rehabilitation loans, and closing costs into one mortgage. One of the goals of this program, by combining all loans into one mortgage, was to make HUD's section 203(k) program more efficient and more attractive to potential participants.<sup>80</sup> The program is designed in conjunction with section 203(k), since loans are still originated and insured under those guidelines.<sup>81</sup> Eligible participants must earn less than 115% of the region's median income. Houses purchased for rehabilitation must be at least 20 years old. Eligible projects must retain 75% of the existing walls of the structure (50% exterior and 75% of the internal structural

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<sup>78</sup> Delaware Valley Regional Planning Commission, *Building the Dream: Solutions for Affordable Homeownership*, p. 34.

<sup>79</sup> Brennan, *NPP Homepage*.

<sup>80</sup> Delaware Valley Regional Planning Commission, *Building the Dream: Solutions for Affordable Homeownership*, p. 40.

<sup>81</sup> The New Jersey Housing and Mortgage Finance Agency, *Purchase or Refinance/Rehabilitation Mortgage Program Fact Sheet* ([cited March 3 2003]); available from <http://www.state.nj.us/dca/hmfa/singfam/buy&fix.htm>.





framework) and require rehabilitation work that will cost at least 25% as much as the original mortgage investment.<sup>82</sup>

The One Hundred Percent Mortgage Program, also originated through NJHMFA, is available to both municipalities and non-profit organizations. The purpose of this program is to enable low- and moderate-income, first-time, or urban homebuyers to afford homeownership. It offers 100% financing, including the amortization of certain closing costs. The program encourages municipalities to respond to fair share obligations by allowing affordable housing units to be set aside. Participating municipalities or organizations must provide tax abatements, land donations, or grant money to projects that designate a percentage of the development as affordable units. Mortgage funds are made available through NJHMFA for the purchase of those affordable units.<sup>83</sup> The maximum mortgage term is 30 years. Those wishing to borrow money under this program must complete home ownership and personal finance counseling/education sessions sponsored by NJHMFA.<sup>84</sup>

## **LOCAL PROGRAMS**

Community Development Corporations (CDCs) are located throughout the country and are formed locally as grassroots organizations. They are usually formed with the revitalization of a specific neighborhood in mind. A large amount of CDC funding come from federal Community Development Block Grants, which were discussed earlier.

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<sup>82</sup> Delaware Valley Regional Planning Commission, *Building the Dream: Solutions for Affordable Homeownership*, p. 40.

<sup>83</sup> *Ibid.*, p. 41.

<sup>84</sup> The New Jersey Housing and Mortgage Finance Agency, *One Hundred Percent Mortgage Program Fact Sheet* ([cited March 3 2003]); available from <http://www.state.nj.us/dca/hmfa/singfam/ndpfact.htm>.



CDBG funds are supplemented by both public and private funding sources. CDCs are formed within the community by locals working to improve their neighborhood's residential buildings, commercial buildings, and green spaces. While CDCs are private, non-profit organizations, they often draw attention and a portion of their support from the local government.<sup>85</sup>

The City of Camden also administers some programs to assist low-income homebuyers. The City's Housing Assistance Program takes the form of a deferred loan that enables residents to obtain funding for the necessary repairs to bring their home into compliance with local code standards. The applicant must be the owner-occupant of the property for at least a year. This program requires that a mortgage lien be recorded against the property.<sup>86</sup> The City of Camden also directs the First Time Homebuyer's Program, which offers a \$3,500 subsidy. The subsidy can be applied toward costs associated with the purchase of a principal residence, like closing costs or a down payment. Both City programs require that all municipal obligations be current; participant's annual income is within Section 8 income guidelines; and that necessary repairs are made within the program cap.<sup>87</sup>

Saint Joseph's Carpenter Society (SJCS) was founded in 1985 as a non-profit organization that targets abandoned houses in East Camden for acquisition, rehabilitation, and sale. The organization focuses on three functions, which are interconnected: housing development, homeownership education, and community organization. Through

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<sup>85</sup> Blackett, "Affordable Housing in Historic Districts", p. 50.

<sup>86</sup> City of Camden, *Housing Assistance Program* (2002 [cited March 29 2003]); available from <http://ci.camden.nj.us/department/housingassistanceprogram.html>.

<sup>87</sup> City of Camden, *First Time Homebuyer's Program* (2002 [cited March 29 2003]); available from <http://ci.camden.nj.us/departments/firsttimehomebuyersprogram.html>.



homeownership, SJCS strives to create safe neighborhoods and improve the quality of life for low-income families. Much like HFHI, SJCS believes “that homeownership encourages stability and fosters personal pride, enabling families to develop community, improve their lifestyle, and establish roots for the benefit of themselves and future generations.”<sup>88</sup>

Since it’s founding, SJCS has provided over 300 units of affordable housing units. More than 250 of these units were vacant houses rehabilitated for single-family owner-occupancy. Funding sources for SJCS projects include grants from HUD; the New Jersey Department of Community Affairs; the City of Camden; and the Redevelopment Agency, as well as loans from the Reinvestment Fund and private lenders.<sup>89</sup>

SJCS also provides participants with the necessary skills for a successful transition from renter to owner. The organization created the Campbell Soup Homeowner Academy in order to fill its rehabilitated houses with responsible and informed community members. Courses offered focus on issues of homeownership, financial stability, and community growth and are open to everyone, not just those purchasing homes through SJCS. However, two hands-on classes are required of all SJCS homeowners. The first is a 12-week seminar on personal finance, budgeting, and neighborhood preservation. The second is a 10-week course on home repair and maintenance.<sup>90</sup>

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<sup>88</sup> Saint Joseph's Carpenter Society, *Saint Joseph's Carpenter Society Home* ([cited March 30 2003]); available from <http://www.sjescamden.org/home.html>.

<sup>89</sup> Saint Joseph's Carpenter Society, *Housing Development* ([cited March 30 2003]); available from <http://www.sjescamden.org/housingdevelopment.html>.

<sup>90</sup> Saint Joseph's Carpenter Society, *Homeowner Education* ([cited March 30 2003]); available from <http://www.sjescamden.org/homeownereducation.html>.



TABLE 1: Comparison Matrix of Affordable Housing Programs

PROGRAM	TYPE OF ASSISTANCE	SOURCES OF FUNDING	AVAILABLE TRAINING	MORTGAGE INFORMATION	FUNDING USES
Community Development Block Grant	Federal grants to entitlement communities	Federal Government	No	N/A	Benefit low- and moderate-income persons, prevent/eliminate slums/blight, meet urgent community development needs
HOME Investment Partnership	Federal grants to state and local governments	Federal Government	No	N/A	Affordable housing for low- and very low-income families, home purchase/rehab financing, construction costs; site acquisition/improvement, demolition; relocation
Inner-City Ventures Fund	Grants and loans to non-profit organizations	National Trust for Historic Preservation	Yes	N/A	Acquisition; rehabilitation; related capital costs
Local Initiatives Support Corporation	Grants and non-financial support to CDCs	Tax dollars and private money	Yes	N/A	Affordable housing; community building
Balanced Housing Program	Grants to municipality for contract with other interested parties	Realty transfer tax	No	N/A	Site acquisition and prep; construction or rehab of housing for low- to moderate-income residents
Neighborhood Preservation Program	Grants to municipality	Private funding used with Balanced Housing Program funding	No	N/A	Restore services; promote rehab and repair; restore infrastructure of viable but deteriorating neighborhoods
Purchase or Refinance/Rehabilitation Mortgage Program	Loans	New Jersey Housing and Mortgage Finance Agency	No	Packages acquisition loan, rehabilitation loans, and closing costs into one mortgage from a lending agency at market interest rate	Rehabilitation of primary residence
One Hundred Percent Mortgage Program	Loans	New Jersey Housing and Mortgage Finance Agency	Yes	100% financing including some closing costs through lending agency at market interest rate	Purchase of first home by low- and moderate-income urban homebuyers
Community Development Corporation	Grants	Federal CDBG grants; public and private funding sources	No	N/A	Revitalization of a specific neighborhood by members of that community
Housing Assistance Program	Deferred loan	City of Camden	No	N/A	Allows low-income residents to obtain funding for repairs necessary to bring home into compliance with local codes
First Time Homebuyer's Program	Subsidy	City of Camden	No	N/A	Applied to costs associated with purchase of principal residence, like closing costs or down payment
Saint Joseph's Carpenter Society	Loans and non-financial support	Private lending agencies, City of Camden's First Time Homebuyer's Program	Yes	Financing through private lending agency at market interest rate	Acquisition, rehabilitation, and sale of affordable housing; housing development; homeownership education, community organization
Habitat for Humanity International	Loans and non-financial support	Private donations; corporations; churches; foundations; some gov't funding	Yes	Unique two-part mortgage directly through HFHI at 0% interest rate and minimal down payment	Rehabilitation or construction of affordable housing; ongoing training and support for homeowners





There are a variety of options to assist low-income families obtain affordable housing and many of the programs use existing and historic housing stock to do so. It is even possible to combine programs and increase the assistance. However, Habitat for Humanity International provides the most comprehensive option. Eligible participants need only to deal with HFHI staff and volunteers to earn their home. The full amount of the purchase price for their home is provided with a no-interest mortgage. There is no need for Habitat homeowners to deal with conventional lending institutions. Nor are partial subsidies and government loans necessary when participating in the HFHI program. HFHI shares all of the advantages of the programs listed above and none of the downfalls.

However, all of the programs are important, because combined, they are taking great steps toward preserving a significant amount of the older housing stock in urban centers and providing affordable housing to low-income families. It is often necessary to have an assortment of approaches to solving a complex problem.



## CHAPTER FIVE: METRO CAMDEN HABITAT FOR HUMANITY

### CAMDEN, NEW JERSEY

The city of Camden, New Jersey; with a population of nearly 80,000;<sup>91</sup> is the nation's second poorest city. Forty-four percent of families in the city live below the Federal Poverty Line. There are thousands of families living in substandard housing<sup>92</sup> and approximately 5600 abandoned houses throughout Camden, nearly 20% of the city's housing stock.<sup>93</sup> The pace of abandonment increased after a 1992 property tax assessment - hundreds of homeowners deserted houses whose back taxes exceeded the assessed value. It did not take much time for these abandoned buildings to be stripped, set on fire, or taken over by drug dealers.<sup>94</sup>

As a result of the density of the city's urban fabric, the abandoned buildings soon infected the adjoining structures, leading to leaks, safety problems, and frustration among the residents who had not abandoned their property. The city administration, which was overwhelmed by the size of the problem and the lack of funding to manage it, was little help to these residents.<sup>95</sup> However, a new master plan entitled FutureCamden does begin to address the issue. The plan proposes 6700 new or rehabilitated housing units. Approximately 73% of Camden's housing stock was built prior to 1960,<sup>96</sup> therefore, rehabilitation of historic buildings is crucial to revitalizing Camden. It also calls for

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<sup>91</sup> U.S. Census Bureau, "Table Dp-1, Profile of Federal Demographic Characteristics: 2000 Geographic Area: Camden City, New Jersey," (Census 2000).

<sup>92</sup> Metro Camden Habitat for Humanity, "Annual Report 2001-2002," (2003), p. 2.

<sup>93</sup> U.S. Census Bureau, "Table Dp-1, Profile of Federal Demographic Characteristics: 2000 Geographic Area: Camden City, New Jersey."

<sup>94</sup> Kevin Riordan, "Camden Rebound?," *Planning*, February 2002, p. 18.

<sup>95</sup> *Ibid.*

<sup>96</sup> U.S. Census Bureau, "Table Dp-4, Profile of Selected Housing Characteristics: 2000 Geographic Area: Camden City, New Jersey," (Census 2000).



greater coordination between government and grassroots efforts to make residential neighborhoods, most of which have been damaged by disinvestment and decay, cleaner and safer.<sup>97</sup> Those housing ventures that have been successful in Camden have come largely from nonprofit organizations.<sup>98</sup> One such organization is Habitat for Humanity.

#### **HISTORY OF THE LOCAL AFFILIATE**

In 1985, a local physician wanted to donate the house out of which he practiced medicine. After contacting local churches and finding no interested congregations, he got in touch with HFHI. They tried the local churches again, trying to spark an interest in starting a local affiliate in the Camden area. The First Baptist Church of Haddonfield and its minister, Jeff Middleton, took on the task. In June 1986, Metro Camden Habitat for Humanity (MCHH) filed for incorporation as a non-profit organization in the state of New Jersey and in October of that year MCHH was received as a new affiliate by HFHI.<sup>99</sup>

The first four projects worked on by the new affiliate were rehabilitations of isolated single-family houses donated by private individuals. In 1992, however, MCHH's Board of Directors adopted a neighborhood strategy, declaring its intentions to rebuild communities, not just scattered houses.<sup>100</sup> With scattered development, Habitat families are left isolated in deteriorating neighborhoods. Using this approach, affiliates

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<sup>97</sup> Riordan, "Camden Rebound?," p. 16.

<sup>98</sup> *Ibid.*, p. 18.

<sup>99</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us*.

<sup>100</sup> *Ibid.*



may miss opportunities to target neighborhoods where their project could “have a visible impact, encourage additional investment, and improve conditions.”<sup>101</sup>

MCHH “promotes community in the neighborhood in which it works and provides education and support to help new homeowners succeed.”<sup>102</sup> The affiliate’s long-range goal is to “leave behind attractive, vibrant neighborhoods that are desirable to live in.”<sup>103</sup>

## ORGANIZATIONAL STRUCTURE

MCHH falls under the umbrella of Delaware Valley Habitat for Humanity (DVHFH). No building takes place directly through DVHFH. Instead, it manages and coordinates nine affiliates in the area: Bucks County, Chester County, Delaware County, Germantown, Montgomery County, North Central Philadelphia, South Philadelphia, West Philadelphia, and Metro Camden. Donations large enough to share are filtered through DVHFH and dispersed to the affiliates.<sup>104</sup>

MCHH is run by a Board of Directors, made up of local volunteers, who are concerned about the substandard housing problem. The affiliate has two part-time (one construction and one accountant), and five full-time employees (executive director, coordinator, project manager, construction and a fifth who is paid by HFHI through AmeriCorps) and depends largely on its volunteer contingent.<sup>105</sup>

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<sup>101</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (Hfhi), Inc. Homeowners and Affiliates*, p. III-15.

<sup>102</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us*.

<sup>103</sup> *Ibid.*

<sup>104</sup> Amy Simeik, MCHH Coordinator, Interview by author, February 5 2003.

<sup>105</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - Frequently Asked Questions* (2002 [cited February 2 2003]); available from <http://www.habitatcamden.org/pages/faq.html>.





## HABITAT FAMILIES

Families interested in applying for a MCHH house can obtain an application at the mandatory class for potential homeowners, which meets one Saturday morning a month for about an hour. Potential homeowners must only attend one session. The class is taught by current HFH homeowners and partner families.<sup>106</sup>

After the application is received, MCHH performs a detailed family selection process that gives priority to families that have members who live or work in Camden County and surrounding communities. The investigation includes credit and reference checks, and an in-home interview conducted by a member of the Family Partnership Committee. Potential homeowners must meet the following criteria in order to be considered: a demonstrated need for housing as determined by the condition of the current shelter; an ability to pay for Habitat housing; and the cooperation of the adult members of the household, which includes 250 to 500 Sweat Equity hours.<sup>107</sup>

Liaisons, who are part of the Family Partnership Committee, play an important role in the success of Habitat families in Camden. These volunteers must attend a 90-minute meeting once a month, must be good listeners, and must be able to conduct interviews with potential homeowners. The liaison becomes the contact point for the families they interview, should the family be selected, for that family's months of involvement. The liaison ensures that the family gets insurance at the time of their house closing and monitors the family for up to one year after the closing to make sure payments are made and any adjustments are made as necessary. Currently, there are one

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<sup>106</sup> Simcik.

<sup>107</sup> Metro Camden Habitat for Humanity, "Family Partnership Committee Selection Criteria for Habitat Homeownership," (2002).



or two families assigned to each liaison at MCHH. The affiliate holds an annual gathering that introduces neighbors, Board members, liaisons, staff, and children and provides an opportunity for neighborhood reconnection.<sup>108</sup>

All homeowners must attend the Saint Joseph's Carpenter Society Home Maintenance Program in order to meet the requirements for receiving their house.<sup>109</sup> Saint Joseph's, as discussed in Chapter 4, is also a non-profit organization specializing in rehabilitation and sale of homes in Camden. According to a brochure describing classes taught by the organization, the Home Maintenance Program teaches basic home repair skills including plumbing, electrical, roofing, basic carpentry, and painting. The course also teaches what issues should be addressed by a professional rather than the homeowner. The class is taught in either English or Spanish by a qualified contractor and is open to both homeowners and renters. A fee of \$25 includes ten, 90-minute sessions, a home repair book, a toolbox, and a set of tools.

## FINANCIAL INFORMATION

MCHH gets its funding from churches, corporations, foundations, and concerned local individuals.<sup>110</sup> In general, HFH avoids government funding "in order a) not to be influenced in the selection of beneficiaries; b) not to compete for limited dollars with other nonprofits who depend on government funding; c) to encourage private ownership of the problem - that we are our brother's keeper...the major exception to this policy is

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<sup>108</sup> Simcik.

<sup>109</sup> Ibid.

<sup>110</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - Frequently Asked Questions*.



that HFH accepts government funds to 'set the stage for construction', i.e. building site acquisition, engineering, environmental work, permits, connecting utilities."<sup>111</sup>

In 2001-2002, 71% of MCHH's income came from donations from corporations and foundations (43%), individuals (19%), and faith communities (9%). Only 18% of the affiliate's funding came from the government in the form of HOME funds from HUD. Since this funding is not used for construction, but rather for administrative costs, MCHH does not have to go through Section 106 review during its projects. The remaining 11% of MCHH's income was a result of mortgage payments (9%) and interest (2%). The majority of that income, 70%, was spent directly on house construction in Camden and abroad.<sup>112</sup> Each year, MCHH tithes 10% of all its unrestricted funds to build houses in Zambia, whose affiliate was started by MCHH's first executive director after he left Camden.<sup>113</sup> Since HFHI provides no-interest mortgages, there is no interest to collect. MCHH figures this uncollected interest, which could have been collected in a traditional mortgage situation, as an expense. In 2001-2002, interest foregone on mortgages accounted for 16% of the affiliate's expenses. The remaining 14% of expenses covered administrative costs.<sup>114</sup>

HFHI's no-interest mortgage truly sets it apart from affordable housing programs using a conventional mortgage. A house selling for \$45,000 would result in a total house payment of the same amount through the HFHI financing plan. However, the same house, when financed using a conventional mortgage, with an annual interest rate of 8% and a 20-year term, would result in a total house payment of \$85,802. The long-term

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<sup>111</sup> Doug Wagner, Email communication, March 18 2003.

<sup>112</sup> Metro Camden Habitat for Humanity, "Annual Report 2001-2002," p. 3.

<sup>113</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us*.

<sup>114</sup> Metro Camden Habitat for Humanity, "Annual Report 2001-2002," p. 3.



difference is obvious when compared in this way. There are obvious short-term benefits as well. A conventional mortgage would require a down payment of \$4500, while HFHI only requires approximately \$450.<sup>115</sup> Habitat homeowners are eligible for a First Time Homebuyer City of Camden grant in the amount of \$2000 to cover the down payment and other closing costs.<sup>116</sup> While taxes remain the same regardless of the financing plan, the lower mortgage decreases the total monthly payment from approximately \$480 with a conventional mortgage to around \$327 with HFHI's plan.<sup>117</sup> This monthly savings makes an incredible difference for families living on low incomes.

Aside from this substantial and essential savings on the monthly and overall cost of the home, MCHH also offers homeowner training and support. Each month, the homeowner needs only to write one check for the mortgage payment, insurance, and taxes. MCHH takes the check and disperses it to the proper recipients. It is also mandatory for homeowners to have a maintenance account set up before closing. If the homeowner receives the city grant mentioned above, MCHH suggests they start with \$300 in the maintenance account. A \$25 monthly deposit into this account is highly suggested by MCHH.<sup>118</sup>

A typical three-bedroom house in Camden costs \$50,000 to build. The majority of this cost is a result of property acquisition/site preparation and infrastructure costs (\$6000 each), including plumbing; sewer; water service; and sprinklers. Other large expenses include demolition and trash disposal; masonry; and lumber. A complete cost breakdown for this type of house is included as an Appendix to this document. Costs

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<sup>115</sup> Metro Camden Habitat for Humanity, "Mortgage Comparison Fact Sheet."

<sup>116</sup> Simcik.

<sup>117</sup> Metro Camden Habitat for Humanity, "Mortgage Comparison Fact Sheet."

<sup>118</sup> Simcik.





have also been broken down by section of the house in order to be presented to those wishing to sponsor a house. A house's construction can be fully or partially sponsored, depending on the size of the donation. This cost breakdown is also included in the Appendix.

As mentioned above, property acquisition is a large expense in the construction process. Buying the property outright is MCHH's last choice for acquisition. The affiliate's second choice, due to restrictions that come with government involvement, is the donation of a property by the city. If a property is donated by the city, the building project is supposed to be completed within one year. The first choice for property acquisition is donation by a non-governmental entity, such as an individual, a religious institution, or a foundation.<sup>119</sup>

#### **METRO CAMDEN HABITAT FOR HUMANITY REHABILITATION**

MCHH has rehabilitated 30 abandoned, vandalized shells and turned them into simple, like-new houses.<sup>120</sup> MCHH promotes community and revitalizes the neighborhoods in which it works by not only changing blighted blocks of abandoned buildings into sturdy homes, but also by replacing drug dealers and criminals with families invested in the neighborhood. The affiliate values neighborhood development. At first, its work took place on some scattered sites, but now focuses solely on sites with developable clusters of homes that have the opportunity to provide a support network for families when they move in. The area of concentration is currently just south of Cooper

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<sup>119</sup> Ibid.

<sup>120</sup> Ibid.



Hospital in the Cooper Plaza neighborhood.<sup>121</sup> The map below shows the area on Clinton Street between Sixth Street and Seventh Street, with the hospital labeled and a red star marking the intersection of Sixth Street and Clinton Street.

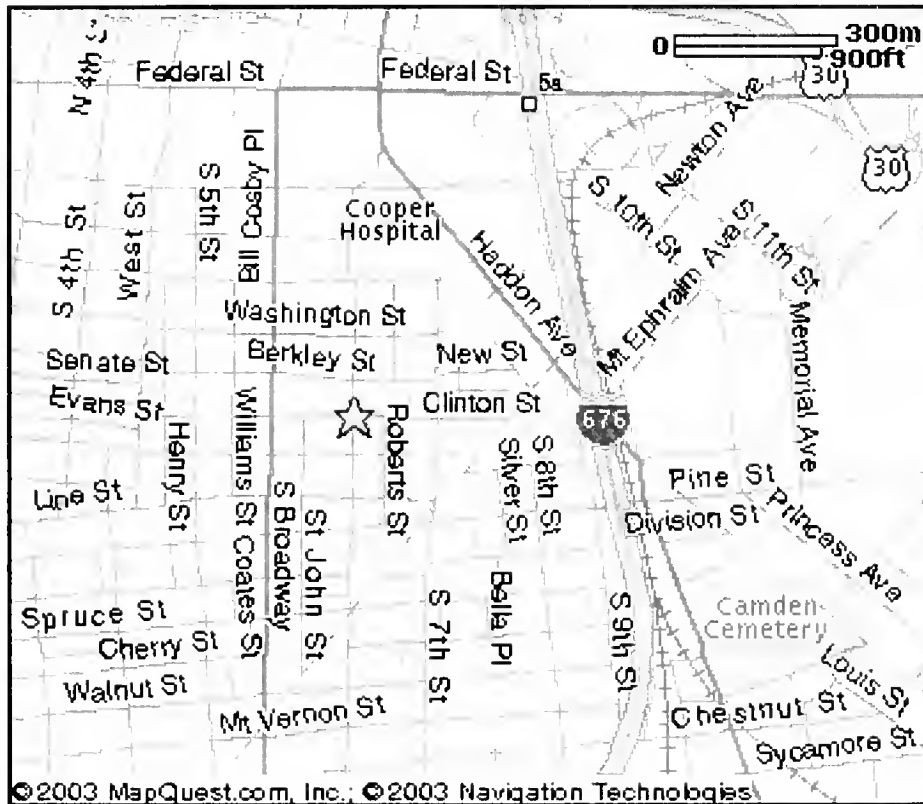


Figure 1: The map above shows the current area for concentration of MCHH rehabilitation along Clinton Street between Sixth and Seventh Streets. The red star marks the corner of Sixth Street and Clinton Street.

Douglass Wagner, executive director of MCHH, feels strongly about both rehabilitation and the neighborhood strategy:

*It seemed logical to us to repair what was already there rather than break new ground. We felt we could kill two birds with one stone. By taking those houses out of those*

<sup>121</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - Frequently Asked Questions*.



*uses and turning them into productive use as low-income housing, we felt that we could really resurrect neighborhoods.*<sup>122</sup>

HFHI recognizes that there are many benefits to rehabilitating and reusing historic structures. These structures are usually constructed of superior materials, which could save money and give the homeowner a more durable and attractive product if they are reused. Older structures offer distinctive features and amenities that would be difficult and expensive to create in a new building. These features add to the pride and the enjoyment the homeowner feels. Existing structures may be energy efficient due to features like high ceilings and cross-ventilation for cooling and attics and crawl spaces that are easily insulated for heating.<sup>123</sup>

Habitat rehabilitation projects fit in with surrounding buildings and, therefore, do not stand out as special projects. This often makes homeowners more comfortable. Providing homes in existing neighborhoods usually provides accessibility to jobs, public transportation, and community services for Habitat homeowners. Returning buildings that are familiar to residents to use helps to promote community pride and renewal. Involving homeowners in the construction process expands their skills and knowledge of specialized crafts and also provides a sense of connection to history.<sup>124</sup> MCHH also recognizes the financial benefits of rehabilitation. The affiliate has found that new construction is more expensive than their rehabilitation projects. The approximate

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<sup>122</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 11.

<sup>123</sup> Ibid., p. 5.

<sup>124</sup> Ibid., p.5.



monthly payment on a new house is \$427, while it is only \$375 for a rehabilitated house.<sup>125</sup>

When rehabilitating a house, there are several areas that MCHH is sure to address. The first step is to make sure that the structure is in stable condition. Then, they address weatherproofing of the structure, by ensuring that the vertical and horizontal closure systems, including the roof system, are in good condition. Once the building envelope is in satisfactory condition, improvements are made to the interior of the building. These improvements include new drywall, flooring, appliances, and cabinets. MCHH tries to leave the existing stairs intact (with the necessary repairs) in order to avoid having to build new, wider stairs, which would reduce the amount of living space.<sup>126</sup>

Cabinets may be either new or reused, depending on availability. Standard flooring includes carpet throughout the house, except in the kitchen and bathroom where there is vinyl flooring. Modifications can be made to the standard materials and design if the homeowner buys the materials and incurs the additional costs. For example, it is possible to have a hard wood floor installed in a MCHH rehabilitation if the homeowner is willing to increase the price of their house. All of MCHH's houses come with mini blinds for the window, which are donated by a corporation.<sup>127</sup>

While HFHI provides guidelines and information, the final decisions are made at the local level. All house plans and building materials and methods are chosen by the local affiliate. Houses must be built to local codes and requirements.<sup>128</sup> MCHH does take advantage of outside services by hiring contractors for plumbing, electricity, roofing,

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<sup>125</sup> Simcik.

<sup>126</sup> Ibid.

<sup>127</sup> Ibid.

<sup>128</sup> Eastwood.





and repointing of bricks. The affiliate also has an architect who provides his services *pro bono*.<sup>129</sup>

## **NEW JERSEY'S REHABILITATION SUBCODE**

MCHH has an advantage over many other HFHI affiliates doing rehabilitation projects in the United States because of New Jersey's unique subcode, which lessens the requirements for work performed on existing buildings. The New Jersey Department of Community Affairs developed the Rehabilitation Subcode with guidance from a committee composed of 30 members including code officials, fire officials, architects, historic preservationists, advocates for people with disabilities, and government representatives; under coordination of the Center for Urban Policy Research at Rutgers University. A draft document was approved on January 31, 1997 after two years of meetings. A draft proposal was then published in the *New Jersey Register* on August 18 of that year. Two public hearings were held and necessary improvements were made to the document. The Rehabilitation Subcode was signed on December 8, 1997, and published in the *New Jersey Register* on January 5, 1998, as a rule adoption.<sup>130</sup>

New Jersey recognized that because of the state's old housing stock, rehabilitation played an important role in efforts to increase the supply of affordable housing. Rehabilitations were cited as valuable because the redevelopment of urban spaces preserves open space and helps to reduce suburban sprawl. This improves the quality of life and reduces the impacts on the environment and conserves natural resources by

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<sup>129</sup> Simcik.

<sup>130</sup> William M. Connolly, *Rules That Make Sense - New Jersey's Rehabilitation Subcode*, (Department of Community Affairs, [cited March 22 2003]); available from <http://www.state.nj.us/dca/codes/rehab/pioneerart.htm>.



requiring less building material.<sup>131</sup> While it seems from these noted advantages that the main concerns were environmental, the importance of integrity in historic structures is discussed in the Subcode.

Prior to the New Jersey Rehabilitation Subcode, as is still the case in most states, improvements on existing buildings had to comply with building codes for new construction. This philosophy deterred building improvements, effectively stating that if building owners could not adhere to the high standards set by new building codes, then they should not try to make any improvements on their building at all. While existing buildings were built to a different building code, or no code at all, many of them are still stable structures. Applying building codes developed for new construction to existing structures is difficult and prohibitively expensive, and oftentimes does not provide an increased amount of safety in the building. Since it is hard to predict what improvements will be necessary to bring an existing building into compliance with current building codes, rehabilitation projects are often not attempted in places where this requirement still exists.<sup>132</sup>

Three main problems are cited as arising when requirements for existing buildings are based on standards for new construction. First, many times existing structures simply cannot meet requirements for new structures. It is difficult to determine whether or not materials in the existing structure meet the material standards in the current code. Common problems arise regarding requirements for stairway geometry, ceiling height, egress windows, and corridor and doorway width. Predictability, or the lack thereof, presents a second problem. As mentioned earlier, it is impossible for existing buildings

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<sup>131</sup> Ibid.

<sup>132</sup> Ibid.



to meet all the requirements of standards for new construction. “There is little consistency among code officials about which requirements are necessary to improve safety.”<sup>133</sup> Also mentioned earlier is the difficulty in predicting what improvements will be necessary or what obstacles will be encountered and, therefore, the cost of working on an existing structure. This creates hesitancy among building owners to take on a project in an existing building. Finally, imposing standards of new construction on projects involving existing structures can expand the scope of the project to include requiring renovations on parts of the building that are “neither unsafe nor in disrepair.”<sup>134</sup> This expansion of the scope effectively penalizes the applicant by increasing the cost of the project, and often results in the building remaining unimproved due to financial infeasibility.<sup>135</sup>

New Jersey wanted to develop a code that was rational and predictable and would deliver sound rehabilitated structures. The Rehabilitation Subcode allows the owner to choose to the scope of the project and establishes specific requirements that are relevant in existing buildings. Prior to the Subcode, New Jersey code requirements for work on an existing building were activated by the cost of the project. “The greater the ratio of the cost of the project to the replacement value of the building, the more the building needed to comply with the standards for new buildings.”<sup>136</sup> Now, requirements are based on the nature of the work, rather than the cost.

There are specific requirements for each category of work. The five sets of requirements are: products and practices, which lists items that are both required and

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<sup>133</sup> Ibid.

<sup>134</sup> Ibid.

<sup>135</sup> Ibid.

<sup>136</sup> Ibid.



prohibited; materials and methods, which explains the basic characteristics of materials and how they should be installed, but does not specify the amount of work that must be done; new building elements, which are created as part of a rehabilitation project, but must conform to specific sections of technical subcodes of the New Jersey Uniform Construction Code (UCC); basic requirements, which are the primary scoping requirements, like mean of egress and exit signs; and supplemental requirements, which are imposed during a reconstruction project and when there is a work area of excessive size.<sup>137</sup>

Three types of projects are listed in the Subcode: rehabilitation, change of use, and additions. Within rehabilitation, there are four categories: repair, renovation, alteration, and reconstruction.

The four categories of rehabilitation are defined as follows. A repair fixes a building component that is broken or worn out. Materials can be replaced with like materials. This type of work is unlimited in a project, with a few specific exceptions. A renovation means replacing a component with different materials while adhering to requirements in the Subcode's materials and methods section and its products and practices section. There is no reconfiguration of space in a renovation. An alteration includes the reconfiguration of space. Since reconfiguration may mean increased safety hazards, some requirements in addition to those in the Subcode's materials and methods section and products and practices section may be necessary. Alterations may not create a building that conforms less with basic requirements than it did when the work started. A reconstruction includes any or all of the previously listed categories of rehabilitation,

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<sup>137</sup> Ibid.





plus significantly affects the interior of a building. If the work covers a large enough area during a rehabilitation project that falls into any of the four categories, the Subcode requires installation on a floor-by-floor, or sometimes, building-wide basis of systems like fire suppression, fire alarms, or elevators.<sup>138</sup>

The Subcode includes terms and modified requirements for historic buildings, as defined by state or federal agencies. By doing so, New Jersey recognized that standards for new construction created a barrier for restoring historic structures and that these standards often disturb the historic materials and/or character and, therefore, the integrity of the structure. The more flexible Subcode facilitates historic preservation of existing structures. It “allows the use of replica materials, establishes provisions for historic buildings used as historic museums, and identifies building elements that may meet relaxed code requirements in order to preserve the historic value and integrity of a historic building.”<sup>139</sup> The Subcode offers a variety of creative solutions for maintaining both integrity and use of the historic buildings without compromising safety.

The adoption of the Rehabilitation Subcode in January 1998 has stimulated rehabilitation, especially in cities in New Jersey. The amount of housing rehabilitation increased 11.9% from 1997 to 1998. The New Jersey Department of Community Affairs (DCA) believes that much of this growth can be attributed to the Subcode. DCA trains all state-licensed code officials to properly administer the program. The Subcode has improved the effectiveness of governmental regulations in a way that is beneficial to all parties involved:

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<sup>138</sup> Ibid.

<sup>139</sup> Ibid.



*Building departments win because buildings are improved and made safer. Building owners win because they are able to improve their properties, increase their value, and produce buildings in which people want to live and work. But, most importantly, the public wins because urban areas are revitalized, open space is preserved, resources are conserved and, in general, quality of life is improved.<sup>140</sup>*

Building codes, can prove to be either a hindrance or an advantage in building projects. Here, it has been shown that traditional approaches to enforcing building codes often deter rehabilitation of existing structures, while New Jersey's innovative Rehabilitation Subcode, with its more realistic and pragmatic requirements, makes these types of projects easier and more attractive to building owners. Next, two types of zoning districts will be discussed in this section in relation to rehabilitation of existing structures for use as affordable housing by MCHH. Like building codes, zoning codes can also prove to be an advantage or a hindrance.

## **HISTORIC DISTRICTS**

Historic Districts often impose restrictive regulation that may make affordable rehabilitation projects impossible within the boundaries of the district. This approach is appropriate for occupied and sufficiently affluent communities or districts offering financial assistance or incentives, and/or districts with flexible regulations. However, in areas where the goal is to populate the blocks and bring the building stock to a level of maintenance that would allow comfortable occupation, heavy restrictions can inhibit progress.

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<sup>140</sup> Ibid.



There are two types of historic districts: national and local. The National Register of Historic Places helps to “coordinate and support public and private efforts to identify, evaluate, and protect our historic and archeological resources.”<sup>141</sup> Inclusion on the National Register means that a district has been recognized for National, State, or local significance; that it will be considered in the planning of Federal or federally funded projects; that it is eligible for Federal tax benefits; and that it qualifies for Federal historic preservation assistance when funding is available.<sup>142</sup>

Local historic districts impose more controls than do national districts. Historic district ordinances, adopted by local communities through power granted by the state, protect districts by subjecting all plans affecting a district to public review. Procedures surrounding local districts are more closely related to the community than national districts. They are designated using local criteria and local procedures; boundaries are based on the local distribution of historic properties and other community factors; properties are recognized for their significance to the community; plans, including demolition, are usually subject to a local design review board, providing time to allow preservation alternatives to be considered; and districts may qualify for local tax incentives and other financial assistance if they are available in the municipality.<sup>143</sup> Districts can be listed simultaneously on national and local historic registers.

Before adopting their neighborhood strategy, MCHH rehabilitated some houses in historic districts. The affiliate found the regulations restrictive and unnecessary.

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<sup>141</sup> National Park Service, *About the National Register of Historic Places* (2003 [cited April 8 2003]); available from <http://www.cr.nps.gov/nr/about.htm>.

<sup>142</sup> *Ibid.*

<sup>143</sup> National Park Service, *People Protecting Community Resources* ([cited April 8 2003]); available from <http://www2.cr.nps.gov/workingonthepast/strengths.htm>.



Therefore, they now avoid projects within the boundaries of historic districts. In a city like Camden, where all possible development is important to help avoid the perpetuation of abandonment, the declination by a non-profit housing organization of projects in an entire category of neighborhood could be very detrimental to the city's reinvestment efforts. However, MCHH had such an unproductive experience working in historic districts that, according to an affiliate staff member, the organization has even declined donations of additional buildings in historic districts.<sup>144</sup>

One area where MCHH undertook rehabilitation projects was in a historic district on Washington Street in the city of Camden. For the houses in this district, the city through its design review board required that MCHH maintain or replace original details, including the replication of ornate front porches that were falling down when MCHH arrived on the site. The porches were in such poor condition that they required demolition and reconstruction. MCHH also had to maintain original doors and windows, or at least replace those too badly deteriorated with windows or doors of the same material.<sup>145</sup> "It probably added around \$3000 to our costs for each house, so we were kind of conflicted internally about that, but we went ahead and did what was requested", stated Doug Wagner, executive director of MCHH.<sup>146</sup>

MCHH also rehabilitated houses in the Fairview Historic District, listed on both the National and New Jersey State historic registers. In both districts, windows presented a major problem during projects. Joe Mannion, the project manager of MCHH, agrees that there should be a style match between the historic window and the new product, but

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<sup>144</sup> Simcik.

<sup>145</sup> Joe Mannion, MCHH Project Manager, Interview with author, March 12 2003.

<sup>146</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 12.





he believes that matching materials causes difficulty with installation and maintenance and decreased efficiency. Also, in Fairview, there was an inconsistency between the displayed sample wooden window that had been deemed appropriate for use within the historic district and the Camden Historical Commission's written standards for acceptable wooden replacement windows.

Although the display window did not meet the written standards, MCHH was instructed to use the same window for replacing windows in their rehabilitation projects within the historic district. However, there was only one supplier for the display window and the cost of the window from that supplier was \$100 more than standard vinyl windows, which would have been MCHH's first choice for replacement. In addition to the higher cost, these windows were more difficult to install and of lower quality than windows used in other MCHH projects. Since the window was an inferior product, each replacement window had to be supplemented with a storm window to ensure that window openings were properly sealed. This added even more additional cost to the project. Fortunately, these windows were only required for those window openings that were visible to the public. MCHH was free to choose replacement windows for those openings not visible to the public.<sup>147</sup>

The primary problem in the Fairview district is disputes over windows. MCHH is not the only entity frustrated with the practices within the districts. There are many frustrated residents that have been required to tear out brand new replacement windows

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<sup>147</sup> Mannion.



and install the same lower quality, higher priced window required in the MCHH rehabilitations.<sup>148</sup>

The level of aggravation of MCHH is also partially attributed to the fact that the organization does try to carry out historically sensitive design. MCHH does not arbitrarily replace historic double-hung six-over-six wooden windows with a smaller metal casement window and brick up the remainder of the original window opening. The only aspect of the window that is altered is its material. During its projects, MCHH maintains the original size, style and rhythm of fenestration, but replaces wooden windows with vinyl. The organization views the windows they choose as replacements for the historic fabric as a superior product that is less expensive and easier for volunteer labor to install. Mannion considers MCHH's historically sensitive design as "still maintaining the aesthetic look of the house and you get a better product." He points out that it is important to assess whether or not the neighborhood can support the architectural details that are being specified for its projects.<sup>149</sup>

Unfortunately, unrealistically high standards in historic districts present problems for affordable projects within district boundaries. These problems perpetuate the gap between historic preservationists and affordable housing agencies. This is regrettable for preservationists because their district loses the interest of parties willing to rehabilitate buildings. It is disappointing for affordable housing agencies because they cannot take advantage of large portions of historic structures that would be ideal for affordable housing, but fall within the boundaries of restrictive historic districts. Without some

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<sup>148</sup> Ibid.

<sup>149</sup> Ibid.



compromises, both sides lose. One proposed solution to this two-sided problem is the conservation district.

## CONSERVATION DISTRICTS

This section will discuss a proposal for Philadelphia, which is directly across the Delaware River from Camden. The Neighborhood Conservation District program (NCDP) could prove successful if implemented in Camden. The NCDP recognizes that there are many buildings in older urban centers that lack the significance for inclusion in a local historic district, but still make a strong “contribution to the environmental amenity and sense of time and place of the City” and provide a “well-rounded understanding of the social and architectural context of the City’s evolution.”<sup>150</sup>

These contextual contributions will be lost without the preservation of more modest structures within American cities. As discussed earlier, building codes and historic district zoning requirements often result in the abandonment of projects that would improve existing structures. Many of these structures have the potential to tell a story that is not currently included in mainstream preservation and historic interpretation efforts: the story of the low and middle-income working class families that occupied much of existing housing stock.

The authors of the NCDP view the existing historic housing as an important resource for both planning and preservation. They believe that a conservation district “could meet the need for a preservation program that conserves a neighborhood’s overall

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<sup>150</sup> John Milner Associates, “The Philadelphia Neighborhood Conservation District Volume I: A Model Program,” (Philadelphia: The Preservation Coalition of Greater Philadelphia, 1992), p. 1-1.



physical character but is not as restrictive as a historic district.”<sup>151</sup> The proposed NCDP has an interest in both affordable housing and preservation of older neighborhoods. It “would work to focus existing City housing and economic development programs in these neighborhoods at the same time that new preservation/conservation programs would protect their character.”<sup>152</sup>

In order to qualify as a conservation district, an area must have been developed at least 25 years ago; must have 75% of its land developed; and “possess a unifying distinctive element of either exterior features or built environmental characteristics that create an identifiable setting, character, or association.”<sup>153</sup> Much of Camden, including the areas where MCHH works, meets all of these qualifications.

Because the preservation goals of a conservation district are different than the goals of a historic district, the degree of protection would be lessened in conservation zones. Character-defining elements would be identified and maintained. Historic zoning could be used to help reinforce the maintenance of these character-defining elements.

*While design issues are important aspects of defining the character of a conservation zone, preserving the streetscape and character of a neighborhood instead of preserving individual building features is a desired outcome in a conservation zone.*<sup>154</sup>

The similarities between the above quote and the outlook of MCHH involving their projects in older urban neighborhoods that have not been identified as historically

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<sup>151</sup> Ibid.

<sup>152</sup> Ibid., p. 1-4.

<sup>153</sup> Marya Morris, "Innovative Tools for Historic Preservation," (Washington, D.C.: American Planning Association, 1992), p. 14.

<sup>154</sup> John Milner Associates, "The Philadelphia Neighborhood Conservation District Volume I: A Model Program," p. 1-4.





significant illustrates that there is a common ground between some preservation professionals and affordable housing agencies. With the proper communication, cooperation or partnership may be possible.

Zoning can be a useful tool in helping to identify and address gaps between existing regulations and the goals of the NCDP. There is no need to rewrite policies that already encourage the program; the existing policies could simply be built upon to realize the goals of the NCDP. For example, maximum allowable conditions, the common format of zoning regulations, could be supplemented with certain minimum design requirements provided by the NCDP.<sup>155</sup>

One priority of the NCDP is to allow current residents to remain in their homes and to teach these residents about home maintenance. The program focuses on residential buildings only. In Philadelphia, the proposed focus is on neighborhoods of rowhouses or semi-detached homes. The same focus would be applicable in Camden, since the same types of housing stock exist in both cities. The NCDP is highly dependant upon the participation of neighborhood residents. The program proposes to use educational materials to inform residents of their neighborhood's physical character. Success of this participation and understanding is contingent upon the neighborhood-specific design guidelines that are proposed through the NCDP.<sup>156</sup>

The Philadelphia Neighborhood Conservation District program has four main goals. The first is to provide low and low-to-moderate income residents with resources and guidance in order to conserve the physical fabric and character of the affordable housing stock. Next, the program strives to develop materials to educate residents about

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<sup>155</sup> Ibid., p. 1-8.

<sup>156</sup> Ibid., p. 1-13.



the physical character of their neighborhood and the existing regulations that could be used to assist in a conservation district. The program also hopes to develop incentives that will assist residents with conservation. Lastly, the program would like to provide the city with additional strategies to assist neighborhoods that are interested in participating.<sup>157</sup>

These goals are based on some philosophical assumptions: that the program is intended to conserve and stabilize physical characteristics; that it depends on the consent and support of property owners; that it is intended to preserve, not accelerate, the tax base in order to benefit existing residents; that the jurisdiction is limited to primary street facades; that guidelines and regulations must be simple and not address things that are already regulated or protected by existing programs or policies; that design guidelines include neighborhood-specific recommendations; and that the local government will play an integral role if the program is to be successful.<sup>158</sup>

However, the involvement of the local government need not come in the form of funding. In fact, authors of the program believe that the program would be possible with no government funding at all. This would result in a much more community-driven, grassroots effort, much like HFHI. The NCDP could simply supplement existing neighborhood programs with information about design guidelines and streetscape conservation. The lack of government funding would create a completely volunteer program, with no governmental enforcement capabilities.<sup>159</sup>

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<sup>157</sup> Ibid., p. 2-1.

<sup>158</sup> Ibid.

<sup>159</sup> Ibid., p. 1-2.



The NCDP would offer a variety of incentives to participants, such as financial assistance, educational materials to increase understanding of neighborhood, technical and design assistance, and information about city agencies and programs.<sup>160</sup> The authors of the NCDP have broken criteria for the selection of neighborhoods to be part of a conservation district into two categories: qualitative and quantitative. The qualitative criteria includes neighborhood participation, consistency of visual character, condition of the existing buildings, consistency of building type, and the fact that the area is not eligible to be a local historic district.<sup>161</sup>

Potential conservation districts must also meet a number of quantitative criteria assessing zoning and use, district occupancy, district size, median income, owner support, and building age.<sup>162</sup> Once selected, support for the conservation district would come in the form of district staff, a revolving fund, design guidelines, community-based workshops, and a maintenance code.<sup>163</sup>

The proposed Neighborhood Conservation District program has many parallels to Habitat for Humanity International's policies and practices on rehabilitation projects. Both programs are interested in preserving materiality on a broad scale, character and social history of urban neighborhoods while providing affordable housing. These similarities could provide the groundwork for an alliance between preservation professionals and HFHI.

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<sup>160</sup> Ibid., p. 2-5.

<sup>161</sup> Ibid., p. 2-3.

<sup>162</sup> Ibid., p. 2-4.

<sup>163</sup> Ibid., p. 2-6.



## THE FUTURE OF CAMDEN

While MCHH's philosophy states that rehabilitation is the correct approach to realizing the goals of their neighborhood strategy, it is becoming increasingly difficult to acquire a significant amount of contiguous properties to practice this method used in the Clinton Street project. Therefore, MCHH has begun construction of new homes.<sup>164</sup> The new construction is clustered on Sixth Street near Clinton Street. There are two sets of twins and one free-standing unit. These new affordable units are slightly larger than existing homes, but are of a compatible design. New construction is useful to populate the area and provide affordable housing. However, in a city like Camden where there is so much available existing housing, it is more desirable to rehabilitate these existing structures. It is important for preservationist to offer support to potential rehabilitating agencies, like MCHH, and help them find ways to continue their efforts to preserve the existing urban fabric rather than demolishing it and rebuilding.

FutureCamden, the master plan, coordinates with the New Jersey State Development and Redevelopment Plan by encouraging the rebuilding of urban areas.<sup>165</sup> Part of the vision for Camden's future noted in this plan is that there be a framework for self-determination and that there will be revitalized neighborhoods. The master plan's goals include improving housing and neighborhoods and capitalizing on historic assets. The plan proposes to improve housing and neighborhoods through Citywide policy,

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<sup>164</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 13.

<sup>165</sup> Riordan, "Camden Rebound?," p. 17.





managing vacancy, retaining and attracting middle-income residents, deconcentrating poverty, and utilizing public/private partnerships.<sup>166</sup>

FutureCamden also plans to capitalize on the urban design and historic assets of the City by following a design plan, enhancing neighborhood areas, and preserving or renewing historic resources. Their Historic Assets Plan includes preserving resources, blending preservation with revitalization, creating conservation zones, and creating a heritage area.<sup>167</sup> The vision and goals of FutureCamden are in line with those of MCHH. Perhaps the new plan will help MCHH realize their own goals, which helping to realize the goals of the city as a whole, more easily. There are also other organizations in Camden working to rehabilitate housing: The Fairview Historical Society is a partner in a public/private effort to rehabilitate or build 320 units of housing in a historic area; Saint Joseph's Carpenter Society, discussed in Chapter 4, has added \$25 million in value to neighborhood properties; and The Parkside Business and Community in Partnership is a non-profit that recently announced plans to rehabilitate and sell 100 houses along Park Boulevard.<sup>168</sup>

Working in their respective areas of the City, these groups can combine under the new master plan and really make a difference in the preservation and revitalization of existing and historic neighborhoods. Bridget Pfeifer, executive director of Parkside Business and Community in Partnership, understands the importance of these groups:

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<sup>166</sup> City of Camden New Jersey, *Camden, New Jersey Master Plan Futurecamden* (2002 [cited March 3 2003]); available from [http://ci.camden.nj.us/economic/masterplan\\_main.html](http://ci.camden.nj.us/economic/masterplan_main.html).

<sup>167</sup> *Ibid.*

<sup>168</sup> Riordan, "Camden Rebound?," p. 19.



“There’s been such a high level of disinvestment by the private sector that we [nonprofits] are the only things that’s really left.”<sup>169</sup>

MCHH also makes very important contributions to the betterment of the community. Despite many stumbling blocks, the organization has continued to rehabilitate housing in Camden. However, the obstacles may be getting too great for MCHH to maintain momentum and they are becoming discouraged with rehabilitations. New construction does not need to be eliminated from their agenda, however, it should not begin to dominate it either. MCHH’s neighborhood rehabilitation strategy is an important model and its use should be continued.

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<sup>169</sup> Ibid.



## CHAPTER SIX: A CASE STUDY: THE 600 BLOCK OF CLINTON STREET

### EARLY DEVELOPMENT OF THE SITE

The 600 Block of Clinton Street in Camden, New Jersey is located just south of Cooper Hospital. (See Figure 1) The site of the hospital was originally part of the Cooper Estate. William Cooper came to the area in the 1680s and “was the earliest settler to effect improvements upon his land and to retain ownership through his

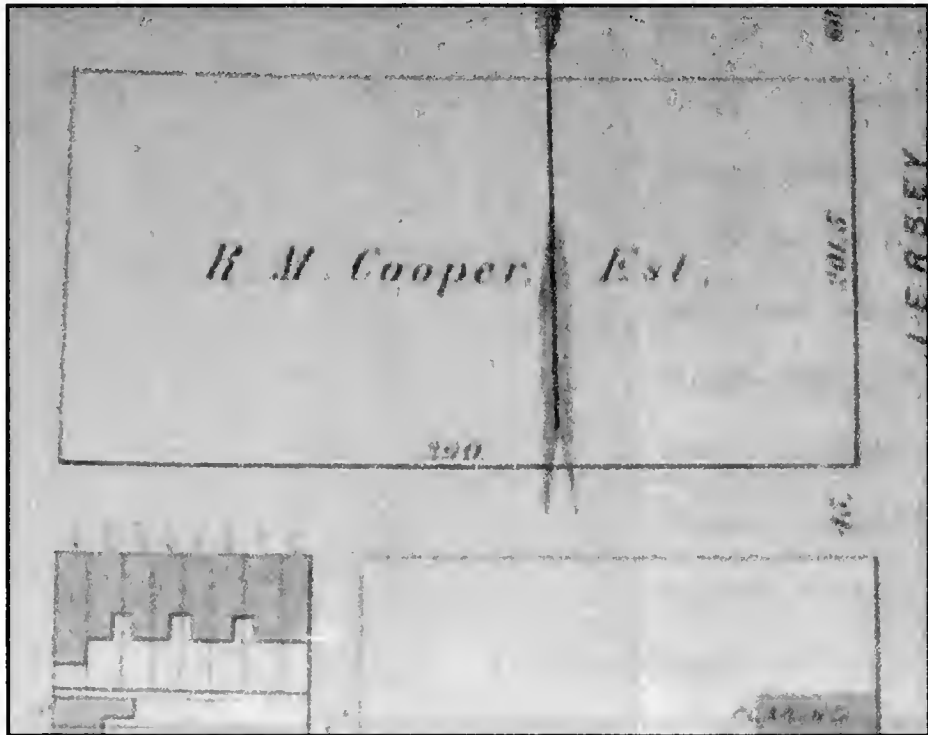


Figure 2: 1877 City Atlas of Camden, New Jersey, Plate J. Camden County Historical Society. Clinton Street is located below the block marked R.M. Cooper Est.

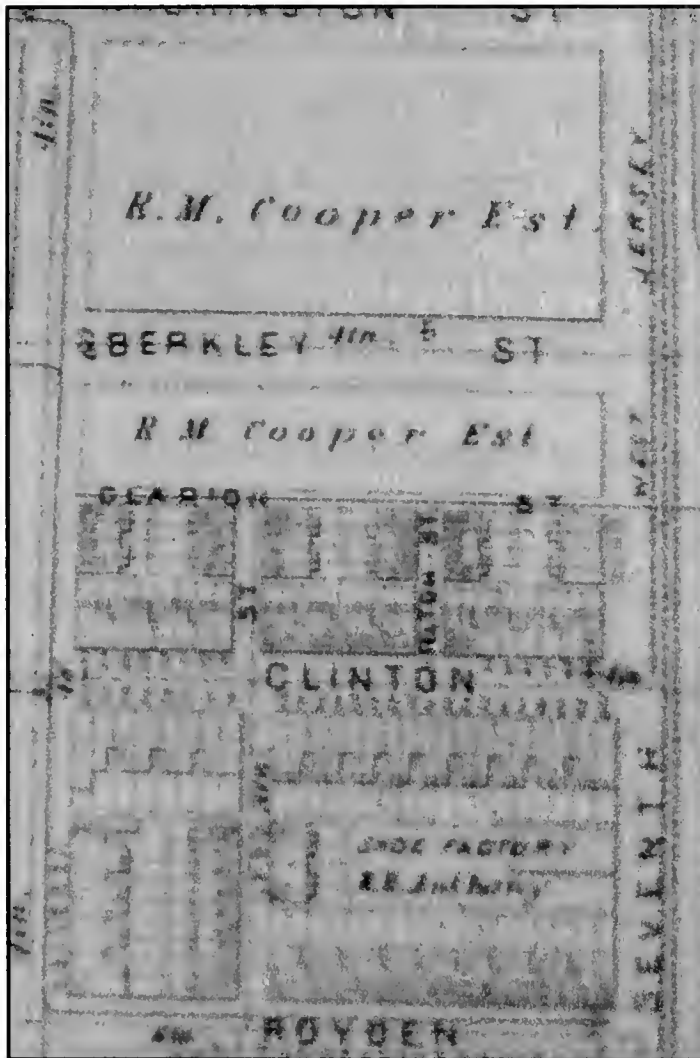
descendants.”<sup>170</sup> Land from this Estate was the initial base for the City of Camden, which was named for the Earl of Camden by William Cooper’s grandson, Jacob.<sup>171</sup>

<sup>170</sup> City of Camden New Jersey, *About Camden > History: Initial Townsites* (2002 [cited March 27 2003]); available from <http://ci.camden.nj.us/history/townsites.html>.

<sup>171</sup> *Ibid.*



The block appears undeveloped on the earliest maps of Camden, including an 1877 City Atlas. The 1886 Baist's Property Atlas is the first map of the block that shows structures on the land.<sup>172</sup> This map shows the block of Clinton Street between Sixth Street and Seventh Street fully developed with brick dwellings, which means that development took place sometime between 1880 and 1886. This map also shows the



Cooper Estate just north of the site; the H.B. Anthony Shoe Factory on Seventh Street between Clinton and Royden Streets; and the West Jersey Rail Road running down Seventh Street. This, and other, railroads became important sources of jobs for the 600 block of Clinton Street.

The 1905 New Jersey State Census inventoried the residents of the 600 block as

Figure 3: 1886 Baist's Atlas of the City of Camden, New Jersey, Plate 14. Camden County Historical Society.

all white, most of whom were the second generation of their

<sup>172</sup> G.W. Baist, "Baist's Property Atlas of the City of Camden New Jersey," (Philadelphia: 1886).





family to be born in New Jersey. There were some residents, however, that had been born in other states in the U.S., as well as Canada, England, and Germany. Most of the residents that held jobs were laborers and blue-collar workers. The 1910 Federal Census reports much of the same information. The residents were all white and most of them had been born in New Jersey. The majority of the working residents were laborers and blue-collar workers, many of them working in factories; stores; ship yards; and steam, electric, and street railroads. All of the adult residents of the block were versed at both reading and writing the English language. There was a mixture of homeowners and renters in the homes on the block.

#### **CLINTON STREET REHABILITATION**

In 1993, when MCHH decided to take on the 600 Block of Clinton Street for a neighborhood rehabilitation, most of the houses on the block had been abandoned for over a decade. Less than half of the houses on the block were occupied. Over the next five years, MCHH rehabilitated 13 rowhouses on the block, 11 of which were a consecutive row.<sup>173</sup> This phase, Phase I, of the Clinton Street project was completed in

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<sup>173</sup> Simcik.





Figure 4: South side of Clinton Street prior to rehabilitation. Photo courtesy of Metro Camden Habitat for Humanity.

March of 1998.<sup>174</sup> Phase II began even before the completion of Phase I. In this phase, MCHH acquired four vacant properties across from the project on the North side of Clinton Street. Three of these properties were rehabilitated as single-family residences and the fourth as a construction office for MCHH.<sup>175</sup> This location allows the staff of MCHH to work every day in the community they helped rebuild.

The city of Camden transferred the properties it owned on the block to MCHH and taxes were waived during construction. Other homes were purchased for \$250 from the Camden Redevelopment Agency. Still others were privately donated.<sup>176</sup> All but one of the Clinton Street homeowners moved from within the City of Camden. One resident moved out of her mother's Habitat house on Clinton Street into her own rehabilitated

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<sup>174</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us*

<sup>175</sup> *Ibid.*

<sup>176</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 11.



house on the block with her daughter. (See Table 2.) The names of homeowner families as well as an exact previous address have been purposely withheld in the interest of the residents' privacy. According to a MCHH staff member, many homeowners learn about HFHI through friends, neighbors, family members, or coworkers. This type of communication makes for a tight knit community.

Since all the homes on the block were not acquired, MCHH had to make their rehabilitations blend in with the surrounding buildings. They brought the structures close to their original appearance. There were no requirements for retaining original materials, since Clinton Street is not located in a historic district. However, MCHH chose to maintain the original look and much of the original materials anyway.<sup>177</sup> MCHH's choice to maintain original character and material despite the absence of requirements to do so illustrates that it is a preservation-minded organization.

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<sup>177</sup> Ibid., p. 12.



TABLE 2: Clinton Street Homeownership Information

HOUSE #	CLOSING	PRICE	APPRAISAL	SQ. FT.	FAMILY SIZE	PREVIOUS ADDRESS	PRIOR OWNER	AQU. PRICE
636	11/20/93	\$40,000	\$40,000	1040	5	N. 32 <sup>nd</sup> St	City of Camden	\$0
632	9/22/95	\$40,000	\$40,000	980	4	Dudley St – E. Camden	City of Camden	\$0
634	8/20/94	\$40,500	\$40,000	1040	4	Ferry Station Apts	Private	\$0
630	4/1/95	\$40,400	\$40,000	1040	5	Arthur Ave	City of Camden	\$0
626	1/30/96	\$40,400	\$40,000	1040	3	Crestbury Apts	City of Camden	\$0
624	3/30/96	\$41,400	\$40,000	1040	3	S. 10 <sup>th</sup> St	Camden Redevelopment Agency	\$250
622	8/23/96	\$41,400	\$40,000	1040	6	Cherry St	Camden Redevelopment Agency	\$250
628	8/28/97	\$43,800	\$43,000	1040	5	S. 9 <sup>th</sup> St	Camden Redevelopment Agency	\$250
618	2/3/98	\$43,600	\$43,000	1040	4	Westfield Ave	Private	\$0
620	3/16/98	\$43,600	\$43,000	1040	4	Willingboro, NJ	Camden Redevelopment Agency	\$250
616	3/27/98	\$44,100	\$43,000	1160	4	N. 22 <sup>nd</sup> St	Camden Redevelopment Agency	\$250
639	7/6/98	\$43,600	\$43,000	1040	4	Federal St	Private	\$0
623	6/28/99	\$44,200	\$43,000	1276	4	S. 28 <sup>th</sup> St	Private	\$0
647	5/19/00	\$45,700	\$48,000	1540	2	Crestbury Apts	City of Camden	\$0
634	2/23/01	\$42,200	\$42,500	1000	3	Ferry Station Apts	N/A	\$41,500
630	5/1/01	\$42,200	\$39,000	1036	3	West St	N/A	\$35,000
625	7/12/02	\$45,500	\$45,000	1092	2	Clinton St	City of Camden	\$0
701	8/16/02	\$48,000	\$49,000	1330	2	Ablett Village project	City of Camden	\$0







Figure 5: South side of Clinton Street after completion of Phase I. Photo courtesy of Metro Camden Habitat for Humanity.

Due to funding limitations, most of the money was spent on maintaining the front façade of the building. This façade is the most visible to the public and it also is a character defining part of the building and the neighborhood. MCHH was then challenged by trying to complete the rest of the project in the least expensive way. Stephen L. Schoch, the project’s architect, recognized the importance of large-scale preservation. He stated that it “was important to try to preserve the scale of the buildings, the details, and the cornice line wherever we could.”<sup>178</sup> Having a project architect with knowledge of preservation principles and practices is essential to completing historically accurate, or at least sensitive, and financially feasible rehabilitations.

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<sup>178</sup> Ibid.



The construction supervisor and volunteers were able to rebuild or repair the wooden dentil work and fascia of the cornice, much of which had been damaged or was



Figure 6: Deteriorated wooden details. Photo taken by Amy Simcik, 2003.

missing all together. The project team was aware of the option to cover the original wooden cornice with aluminum siding, which would have been easier and less expensive. However, they chose to stay with the original look of the cornice.<sup>179</sup> While this is an exciting step, not all decisions were as wise as this one for the preservation of materials. Subcontractors were hired to acid clean the

front facades of the houses.<sup>180</sup> This is a practice that can damage masonry. If there had been an open dialogue between MCHH and a preservation professional, this mistake could have been avoided. Creating an alliance can provide much needed information on safe and effective preservation practices, which are common knowledge to many

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<sup>179</sup> Ibid.

<sup>180</sup> Ibid.



preservationists, but with which many people outside of the field are unfamiliar. Other ways of easily disseminating preservation information to HFHI are discussed in Chapter 7.



Figure 7: Cast concrete replacement details. Photo taken by Amy Simcik, 2003.

Some material substitutions were necessary during the rehabilitation of the block. Since Clinton Street is not located in a historic district, MCHH did not face the struggle over replacement windows mentioned in Chapter 5. They were able to use their top choices, and wooden doors and windows were replaced with steel and vinyl.<sup>181</sup> While the material was replaced, the character was retained through

keeping the size, location, and

the look of the detailing of the openings the same. Rotten wood lintels and window sills were replaced with cast concrete, with molds that had been carefully measured so that the dimensions of the concrete remained the same as the wood it was replacing. This was a conscious choice made by MCHH to imitate historic detail with a substitute material,

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<sup>181</sup> Ibid.



rather than bricking in the opening left by rotten wood, which is often done in cases like these. The choice to brick in an opening disturbs the building's original fenestration and the overall rhythm of the street's facades. MCHH recognized the importance of this choice to the maintenance of the original character of the block.<sup>182</sup>

As mentioned earlier, since funding was limited, less attention was paid to the detail of the back of each building, which is not a primary street façade. (Since most of the rowhouses are consecutive, there are no visible side facades.) The back facades were finished in stucco, rather than repointing the brick. This saved money and was easier for unskilled volunteers to complete. The existing jumble of sheds and additions were also replaced by covered rear porches and fenced-in back yards, which provided a sense of security for the residents.<sup>183</sup>

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<sup>182</sup> *Ibid.*, p. 13.

<sup>183</sup> *Ibid.*







Figure 8: Rear view of south side of Clinton Street before rehabilitation. Photo courtesy of Metro Camden Habitat for Humanity.



Figure 9: Rear view of houses after Clinton Street rehabilitation. Photo courtesy of Metro Camden Habitat for Humanity.



The houses, which were generally in poor condition, required new roofs, extensive repair of the masonry walls, joists, and flooring. MCHH put in new framing, staircases where necessary, insulation, sheetrock, windows, doors, heating, plumbing and electrical systems, refrigerator, kitchen range, washer and dryer, and recycled or new kitchen cabinets. Despite all these changes, the basic floor plan remained the same after rehabilitation as it was originally in the house: the first floor containing a kitchen located in the rear of the house, a half bath, and a dining/living area; and the second floor with three small bedrooms and a full bathroom.<sup>184</sup>

Some interiors did have to be rebuilt to address fire code issues, since this project took place before the New Jersey Rehabilitation Subcode was in place. In these cases, stairways and upstairs hallways were too narrow to meet new construction codes for egress. However, widening these features would have made the bedrooms too small. Variances were obtained in some cases that would allow the stair and hall ways to remain the same if a sprinkler system was added in those areas. The Subcode, now in place, makes such variances unnecessary because existing features of a building can be maintained during a rehabilitation project even if the standards for new construction are not met.<sup>185</sup> This is an incentive because it reduces the amount of both time and money needed for a project compared to when a variance were necessary.

With the completion of MCHH's rehabilitation project the residents of "the 600 block of Clinton Street report a new sense of personal safety and community pride."<sup>186</sup>

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<sup>184</sup> Metro Camden Habitat for Humanity, *Metro Camden Habitat for Humanity - About Us*.

<sup>185</sup> Rubman, "Habitat for Humanity as a Preservation Partner: Four Model Projects," p. 13.

<sup>186</sup> *Ibid.*



Not only is MCHH improving the quality of housing for a number of families in Camden, it is also improving the quality of life.



## CHAPTER SEVEN: CONCLUSION

Neighborhood-based non-profit organizations that are committed to housing and community revitalization, like MCHH, are a crucial component contributing to successful efforts in Camden. Such organizations must continue to be empowered in order to continue empowering others. Other contributing factors necessary for success in Camden include: strong local government leadership; utilization of comprehensive planning; and heightened metropolitan cooperation.<sup>187</sup>

MCHH enjoys the success for which the structure of HFHI was designed. The program is structured to nurture families and break the cycle of poverty. It does this while providing on-going support and assistance and a flexible loan repayment plan.<sup>188</sup> Prior to their purchase, many Habitat families lived in rental housing. Housing costs have decreased for many homeowners since purchasing their Habitat home, and incomes have generally increased.<sup>189</sup>

MCHH's neighborhood strategy provides a sense of security for homeowners, who feel more comfortable surrounded by other HFHI families, especially in urban areas. Scattered-site Habitat homeowners are less positive about the neighborhood in which they live than those that live in a completely HFHI neighborhood. By creating clusters, often in areas of disinvestment, homeowners feel that the organization is helping to revitalize neighborhoods.<sup>190</sup>

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<sup>187</sup> W. Dennis Keating and Norman Krumholz, eds., *Rebuilding Urban Neighborhoods, Cities & Planning* (Thousand Oaks, CA: Sage Publications, Inc., 1999), p. 65.

<sup>188</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (HFHI), Inc. Homeowners and Affiliates*, p. VI-4.

<sup>189</sup> *Ibid.*, p. VI-2.

<sup>190</sup> *Ibid.*, p. I-5.





HFHI homeowners are very positive about the improvements they have seen in their lives since purchasing their home. The results of the survey mentioned earlier in this document illustrated this point very well. According to the survey, 96% of homeowners feel a greater stability in their family since becoming Habitat homeowners; 83% have a feeling of belonging in the neighborhood; 89% have a sense of personal financial stability; 100% feel safe and secure about their home; and 88% are saving money and building personal credit.<sup>191</sup>

Unfortunately, there is some economic prejudice surrounding HFHI homes. The organization is pressured to build bigger, more expensive houses as “economic protection” for the neighborhoods in which they build.<sup>192</sup> This pressure does not support the idea of urban neighborhood preservation. Instead, it promotes new construction, which may be out of character with existing buildings. Most affiliates surveyed for HUD stated that they could build new houses more efficiently and cost effectively than if they rehabilitate existing structures. They note uneven skills of volunteer labor and sweat equity labor; variable sources of construction materials; and unforeseeable problems and delays associated with rehabilitation as reasons for this statement. Some affiliates that used to rehabilitate no longer do so; others are phasing it out.<sup>193</sup>

MCHH is also experiencing problems with rehabilitation. As mentioned earlier, it is becoming difficult for the affiliate to locate and obtain a critical mass of buildings for rehabilitation. MCHH also has faced an increase in the cost of some projects due to regulations imposed by historic districts. This becomes stifling, discourages work in

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<sup>191</sup> Ibid., p. V-11.

<sup>192</sup> Fuller, *A Simple, Decent Place to Live: The Building Realization of Habitat for Humanity*, p. 119.

<sup>193</sup> Applied Real Estate Analysis Inc., *Making Homeownership a Reality: Survey of Habitat for Humanity (Hfhi), Inc. Homeowners and Affiliates*, p. III-5.



historic districts and gives the organization the impression that historic preservationists are elitist. The possible partnership between preservationists and HFHI is too important to be lost to misunderstandings. HFHI works toward urban neighborhood preservation. Preservationists should acknowledge and support that effort before that effort is no longer made.

The Clinton Street project has been recognized by the National Trust for Historic Preservation as a model project while examining the possibility of HFHI as a preservation partner. It is very encouraging that such an important national preservation organization has acknowledged that HFHI and the field of preservation are working toward converging goals.

It has been long-recognized, however, that there are important immaterial values in preserving existing housing stock. "Architectural decay and human decay go hand in hand...without the improvement of both, neither can survive."<sup>194</sup> HFHI understands this importance and practices it with every family housed. There are social-historic values by which a building is judged: emotional, which provides identity; continuity; spiritual or symbolic significance; cultural, which is documented; historical; archaeological; aesthetic; or architectural; and functional, meaning economic; social; or political.<sup>195</sup>

One way to maintain these values is through the reuse of structures. In the case of HFHI, the houses being reused and re-entered into the functional urban fabric retain the same role. There is great economic and social potential with reuse, including revitalization of spatial unity; direct and indirect economic benefits; development of urban features; and the formation of neighborhood identity. Reusing buildings as

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<sup>194</sup> Zielger, *Historic Preservation in Inner City Areas: A Manual of Practice*, p. 11.

<sup>195</sup> Karolin Frank, *Historic Preservation in the USA* (Berlin: Springer-Verlag, 2002), p. 43.



affordable housing in areas that have high demand and little supply solves the problem of exhausting possibilities for reused buildings, which can occur with other uses. At times, it can be difficult to draw the line between preservation and rehabilitation.<sup>196</sup>

However, there are resources available that would be useful for groups that are involved in preservation issues but that are not primarily preservation organizations, including HFHI. *The Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings* provides guidelines for rehabilitating historic buildings, including how to address problems with exterior masonry, wood, roofs, windows, and entrances. The guidelines are not codified, and are therefore not requirements. They simply offer general design and technical recommendations, which are not case specific, but examples are given of alterable features.<sup>197</sup> The National Park Service, the publisher of the *Illustrated Guidelines* never recommends the removal and replacement with a new material of any feature that could reasonably be repaired and preserved.<sup>198</sup>

However, the term reasonably is not defined, leaving it to the discretion of those in charge of the project. In the cases of HFHI and MCHH, it is unreasonable to spend an exorbitant amount of money for the repair or preservation of a feature that could be replaced with a sensitive material at a much lower cost. Therefore, as providers of affordable housing first and foremost, HFHI should not be chastised for preservation practices that some would view as unorthodox.

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<sup>196</sup> Ibid., p. 45.

<sup>197</sup> Morton et al., *The Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings*, p. viii.

<sup>198</sup> Ibid., p. xi.



*Respectful Rehabilitation*, by the National Trust for Historic Preservation (NTHP), could be another useful resource for affiliates and homeowners. This publication covers the environment; the building's exterior, including brick, wood, roofing, windows, and doors; exterior finishes; entranceways; and compatible new construction. It is presented in a simple question and answer format to allow quick reference to find a specific problem's solution.

The NTHP Community Partners also work with state historic preservation offices, local governments, and community organizations to develop cost-sensitive neighborhood design guidelines that address the costs of preservation without sacrificing the character of historic buildings. These guidelines also aim to make affordable housing an attractive option for developers.<sup>199</sup>

The fact that resources like those mentioned above exist shows that there has been a change in thinking in the preservation movement. National preservation organizations are providing materials that allow for less traditional preservation practices. This relaxing of regulations for some cases allows for an increased number of existing and historic buildings and neighborhoods saved. HFHI and MCHH are making an effort to continue preserving urban neighborhoods. Millard Fuller, founder and president of HFHI illustrates that preservation is important to his organization:

*I think the preservation of urban housing is very important. By rehabilitating existing structures, neighborhoods are improved and environmental impact is lessened in communities where land is scarce. Also, simple, decent housing for families in need is more available. Habitat for Humanity's rehabilitation program seeks to create*

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<sup>199</sup> The National Trust for Historic Preservation, *NTHP Community Partners Cost-Sensitive Neighborhood Design Guidelines* (2003 [cited April 8 2003]); available from [http://www.nationaltrust.org/community\\_partners/cp\\_network.html](http://www.nationaltrust.org/community_partners/cp_network.html).





*opportunities and partnerships so the whole building industry can be involved.*<sup>200</sup>

As Mr. Fuller stated, it is important that all possible participants of a project be involved. Preservation projects are multi-disciplinary and need to be cooperative. HFHI has an interest in having preservationists involved in order to maintain the scale and character of their houses while performing historically sensitive rehabilitations. HFHI takes buildings that have long been neglected and returns them to viable use, while providing affordable housing, revitalizing neighborhoods, and maintaining historic materials and character of these neighborhoods. The organization is a useful partner in the preservation of historic urban fabric as well as the history of a common American life. The changing face of preservation would do well to incorporate an alliance with preservation-conscious organizations for a fresh approach to saving historic structures and reintroducing them to the active fabric of urban centers throughout the United States.

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<sup>200</sup> Abby Goward, Assistant to Millard Fuller, [Email communication] ([cited March 25 2003]).



## APPENDICES



## **APPENDIX A: AFFILIATE COVENANT**

### **A Basic Covenant Between Habitat for Humanity International and an Approved Habitat Affiliate Project**

#### **Preface**

Habitat for Humanity International and the Habitat for Humanity affiliate work as partners in this ecumenical Christian housing ministry. The affiliate works with donors, volunteers and homeowners to create decent, affordable housing for those in need. And to make shelter a matter of conscience with people everywhere. Although Habitat for Humanity International will assist with information resources, training, publications, prayer support and in other ways, the affiliate is primarily and directly responsible for the legal, organizational, fund-raising, family selection and nurture, financial and construction aspects of the work.

#### **Mission Statement**

Habitat for Humanity works in partnership with God and people everywhere, from all walks of life, to develop communities with God's people in need by building and renovating houses, so that there are decent houses in decent communities in which God's people can live and grow into all that God intended.

#### **Method of Operation**

Habitat for Humanity sponsors projects in habitat development by constructing modest but adequate housing. Habitat also seeks to associate with other organizations functioning with purposes consistent with those of Habitat for Humanity International and the affiliate, as stated in the Articles of Incorporation of both Habitat organizations.

#### **Foundational Principles**

1. Habitat for Humanity seeks to demonstrate the love and teachings of Jesus Christ to all people. While Habitat is a Christian organization, it invites and welcomes affiliate board members, volunteers and donors from other faiths actively committed to Habitat's Mission, Method of Operation, and Principles. The board will reflect the ethnic diversity of the area to be served.
2. Habitat for Humanity is a people-to-people partnership drawing families and communities in need together with volunteers and resources to build decent, affordable housing for needy people. Habitat is committed to the development and uplifting of families and communities, not only to the construction of houses.
3. Habitat for Humanity builds, renovates, and repairs simple, decent and affordable housing with people who are living in inadequate housing and who are unable to secure adequate housing by conventional means.



4. Habitat for Humanity selects homeowner families according to criteria that do not discriminate on the basis of race, creed, or ethnic background. All homeowners contribute “sweat equity;” they work as partners with the affiliate and other volunteers to accomplish Habitat’s mission, both locally and worldwide.
5. Habitat for Humanity sells houses to selected families with no profit or interest added. House payments will be used for the construction or renovation of additional affordable housing.
6. Habitat for Humanity is a global partnership. In recognition of and commitment to that global partnership, each affiliate is expected to contribute at least 10 percent of its cash contributions to Habitat’s international work. Funds specifically designated by a donor for local work only may be excluded from the tithe.
7. Habitat for Humanity does not seek and will not accept government funds for the construction of houses. Habitat for Humanity welcomes partnership with governments that includes accepting funds to help set the stage for the construction of houses, provided it does not limit our ability to proclaim our Christian witness, and further provided that affiliates do not become dependent on or controlled by government funds thus obtained. Setting the stage is interpreted to include land, houses for rehabilitation, infrastructure for streets, utilities, and administrative expenses. Funding from third parties who accept government funds with sole discretion over their use shall not be considered as government funds for Habitat purposes.

### **Agreement to Covenant**

In affirmation of the Mission, Method of Operation and Principles stated in this Covenant, we, \_\_\_\_\_, a Habitat for Humanity affiliate, covenant with other affiliates and Habitat for Humanity International to accomplish our mission. Each partner commits to enhancing that ability to carry out this mission by: supporting effective communication among affiliates, Habitat for Humanity International and regional offices; sharing annual reports; participating in regional and national training events; and participating in a biennial review and planning session between each affiliate and the regional office.

This Covenant is valid upon approval by each member of the affiliate board of directors and a designated representative of Habitat for Humanity International.





## APPENDIX B: METRO CAMDEN HABITAT FOR HUMANITY MISSION STATEMENT

### **Our Goals:**

Metro Camden Habitat for Humanity (MCHH) is a Christian housing ministry dedicated to partnering with deserving people in need of decent homes.

Volunteer labor, cash and in-kind contributions and interest-free mortgages combine to make home ownership possible for families who could not otherwise afford to own their own home. These families earn their homes by working "sweat equity" alongside the volunteers.

MCHH promotes community in the neighborhoods in which it works and provides education and support to help new homeowners succeed.

### **Our Mission for Camden:**

Metro Camden Habitat for Humanity (MCHH), a Christian housing ministry, was founded in 1986 in response to the desperate plight of hard-working parents struggling to find decent housing for their children. We firmly believe that each one of us is our brother's keeper and that as people of faith we own the problem that some of our neighbors don't have a decent place to live.

Consequently we don't seek government funding, turning instead to the private sector for financial support and trying to involve as many volunteers as are willing. Volunteer labor, cash and in-kind contributions and interest-free mortgages combine to make homeownership possible for families who could not otherwise afford to own their own home.

As opposed to charity, Habitat for Humanity embraces partnership with the poor. Every Habitat homeowner has worked "sweat equity" alongside the volunteers to earn their house. Every Habitat homeowner will pay full price for their house. Homeowners have a financial stake in their homes and their communities. Homeownership has been demonstrated to be critical to rebuilding stable communities.

MCHH subsidizes its homeowners by financing 99% of the purchase price at an interest rate of 0%. We believe the word of God in Ex 22:25, when He commanded the Israelites not to lend money at interest to their neighbors who were poor. To us this is common sense. None of the families we've housed could have qualified for a bank mortgage—they couldn't afford the interest.

The whole point of affordable housing is to give a family the opportunity to have more money leftover at the end of the month to use for other important things in life. How those choices are made is entirely up to the family. However, if a household doesn't wisely manage their money, they could still be no better off, not having the money saved



for their dreams, let alone repairs to their house. Therefore MCHH requires homeownership training including household budgeting for every partner family.

We are not satisfied just placing families into pretty houses. MCHH promotes community in the neighborhoods in which it works and provides education and support to help new homeowners succeed. We earnestly desire that our partner families commit themselves to the mutual support required to build a strong community. Our long-range goal is to leave behind attractive, vibrant neighborhoods that are desirable to live in.



**APPENDIX C: METRO CAMDEN HABITAT FOR HUMANITY HOUSE SPONSORSHIP**

WHOLE HOUSE	\$50,000
½ HOUSE	\$25,000
¼ HOUSE	\$12,500
KITCHEN	\$10,000
BATHROOM	\$5,000
BEDROOM	\$5,000
MASONRY	\$7,600
LUMBER	\$6,100
PLUMBING	\$6,000
HEATING	\$2,700
ELECTRICAL	\$2,600
DOORS & WINDOWS	\$2,300
CARPET	\$1,900
ROOFING	\$1,700
APPLIANCES	\$1,400



**APPENDIX D: TYPICAL 3-BR CAMDEN HOUSE COST**

Property Acquisition & Site Preparation	\$6,000
Demolition & Trash Disposal	4,300
Fence	500
Electrical Service, Wiring & Lighting	2,800
Heating System	2,700
Plumbing, Sewer, Water Service, Sprinklers	6,000
Roofing	1,800
Masonry	5,400
Stucco	1,800
Lumber	5,300
Staircases	800
Doors	1,100
Windows	1,500
Insulation	400
Drywall	2,500
Paint	500
Carpet & Vinyl Flooring	1,800
Appliances	1,500
Kitchen Cabinets & Counter	1,400
Builder Risk Insurance	400
Utilities	900
Supplies	600
<hr/>	
Total	\$50,000





## APPENDIX E: HABITAT HOUSE DESIGN CRITERIA

# Habitat for Humanity International

## Habitat House Design Criteria

*As stated in Habitat for Humanity's Affiliate Covenant, affiliates' construction practices should reflect the Habitat philosophy of building simple and decent houses as defined below.*

The following points define the criteria affiliates should incorporate into their house designs:

1. The living space provided—excluding stairwells (except to a basement) and exterior storage—should not exceed:
  - 900 square feet for a two-bedroom house;
  - 1,050 square feet for a three-bedroom house;
  - 1,150 square feet for a four-bedroom house.
2. The basic house should have only one bathroom. This may be compartmentalized for increased usefulness, or additional baths may be added by the family as part of their budget (see #3).
3. Families should have an opportunity to affect the design of their houses as much as possible. A budget should be established with a predetermined limit (e.g., \$1,000) to allow the family to personalize their home with such features as picture windows, fencing, half bath, etc.
4. Each house should have a covered primary entrance.
5. When feasible, at least one entrance to the house should be accessible to persons who have difficulty with mobility.
6. All passage doors, including the bathroom door, should be three feet (3') wide. Halls should be at least three feet and four inches (3' 4") wide from frame to frame. (Note: if there is a door in the hallway, minimum width increases to three feet and seven inches (3' 7").) These standards allow for simple access for persons with disabilities and increase the cost only slightly. Further adaptations may be needed if a family member is disabled.
7. Homes should not have garages or carports.

**Houses that are basic in design and modest in size become affordable to people with meager resources.**

*Note: Although rehabilitation projects may provide a set of circumstances in which some of the above guidelines cannot be met, affiliates should maintain the intent and spirit of the guidelines when determining the specifics and extent of the proposed rehabilitation.*

Plans that conform to these guidelines are available in the *Habitat for Humanity Planbook*, item #3075. Call Order Entry at (800) 422-5914 to order this resource. Plans are also available via the Web at [partnernet.habitat.org](http://partnernet.habitat.org)



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